

PRELIMINARY OFFICIAL STATEMENT DATED APRIL 1, 2019

**SERIAL BONDS
NEW AND RENEWAL ISSUE**

**RATING: See "RATING" herein
BOND ANTICIPATION NOTES**

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the District, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Bonds and Notes is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Bonds and Notes is not treated as a preference item in calculating the alternative minimum tax under the Code. In addition, in the opinion of Bond Counsel to the District, under existing statutes, interest on the Bonds and Notes is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York. See "Tax Matters" herein.

The District will NOT designate the Bonds and Notes as "qualified tax-exempt obligations" pursuant to the provisions of Section 265(b)(3) of the Code.

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
ROCKLAND COUNTY, NEW YORK**

\$24,310,395*

**SCHOOL DISTRICT SERIAL BONDS - 2019
(the "Bonds")**

Date of Issue: Date of Delivery

Maturity Dates: December 15, 2019 – 2033

and

\$33,056,850

**BOND ANTICIPATION NOTES FOR VARIOUS SCHOOL PURPOSES – 2019
(the "Notes")**

Date of Issue: April 17, 2019

Maturity Date: March 31, 2020

The Bonds and Notes are general obligations of the East Ramapo Central School District, Rockland County, New York (the "District"), and will contain a pledge of the faith and credit of the District for the payment of the principal thereof and interest thereon and, unless paid from other sources, the Bonds and Notes are payable from ad valorem taxes which may be levied upon all the taxable real property within the District without limitation as to rate or amount.

The Bonds will be issued in fully registered form, and when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), Jersey City, New Jersey. DTC will act as securities depository for the Bonds. Individual purchases may be made in book-entry form only, in the principal amount of \$5,000 or any integral multiple thereof, except for one necessary odd denomination. Purchasers will not receive certificates representing their ownership interest in the Bonds. Principal of and interest on the Bonds will be paid in Federal Funds by the District to Cede & Co., as nominee for DTC, which will in turn remit such principal and interest to its participants for subsequent disbursement to the beneficial owners of the Bonds as described herein. (See "Book-Entry-Only System" herein).

The Bonds will be dated their Date of Delivery and will bear interest from such date payable semiannually on December 15 and June 15 in each year until maturity commencing December 15, 2019. The Bonds will mature on December 15 in the years and amounts as set forth on the inside cover page hereof. The Bonds are subject to optional redemption prior to maturity. (See "Optional Redemption" herein).

The Notes are dated April 17, 2019 and will bear interest from that date until March 31, 2020, the maturity date, at the annual rate(s) as specified by the purchaser(s) of the Notes. The Notes will not be subject to redemption prior to maturity.

The Notes will be issued in registered form, and, at the option of the purchaser(s), the Notes will be (i) registered in the name of the successful bidder(s) or (ii) registered to Cede & Co., as the partnership nominee for The Depository Trust Company, New York, New York ("DTC") as book-entry notes.

If the Notes are issued in registered form registered in the name of the successful bidder(s), a single note certificate will be issued for those Notes bearing the same rate of interest in the aggregate principal amount awarded to such purchaser(s) at such interest rate(s). Principal of and interest on such Notes will be payable in Federal Funds by the District, at such bank(s) or trust company(ies) located and authorized to do business in the State of New York as selected by the successful bidder(s).

If the Notes are issued in book-entry form, such notes will be delivered to DTC, which will act as securities depository for the Notes. Beneficial owners will not receive certificates representing their interest in the Notes. Individual purchases may be made in denominations of \$5,000 or integral multiples thereof. A single note certificate will be issued for those Notes bearing the same rate of interest and CUSIP number in the aggregate principal amount awarded to such purchaser(s) at such interest rate. Principal of and interest on said Notes will be paid in Federal Funds by the District to Cede & Co., as nominee for DTC, which will in turn remit such principal and interest to its participants for subsequent distribution to the beneficial owners of the Notes as described herein. Transfer of principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The District will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. (See "Book-Entry-Only System" herein.)

THE DISTRICT HAS EXPERIENCED FINANCIAL AND OPERATIONAL DIFFICULTIES IN RECENT YEARS WHICH COULD AFFECT THE MARKETABILITY AND THE MARKET VALUE OF THE BONDS AND NOTES. (SEE "STATE LEGISLATION - APPOINTMENT OF MONITOR", "THE STATE COMPTROLLER'S FISCAL STRESS MONITORING SYSTEM AND OSC COMPLIANCE REVIEWS", "THE DISTRICT – BUDGETARY PROCEDURE AND RECENT BUDGET VOTES", AND "FINANCIAL FACTORS – OPERATING FUND DEFICIT" HEREIN).

The Bonds and Notes are offered when, as and if issued and received by the purchaser(s) and subject to the receipt of the respective final approving opinions of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel. It is anticipated that the Bonds and Notes will be available for delivery in New York, New York or as otherwise agreed with the purchaser(s) on or about April 17, 2019.

THIS PRELIMINARY OFFICIAL STATEMENT IS IN A FORM DEEMED FINAL BY THE DISTRICT FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 (THE "RULE"). FOR A DESCRIPTION OF THE DISTRICT'S AGREEMENT TO PROVIDE NOTICE OF EVENTS AS DESCRIBED IN THE RULE, SEE "DISCLOSURE UNDERTAKING" HEREIN.

Dated: April __, 2019

*Preliminary, to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment without notice. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the securities, in any jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

The Bonds mature on December 15 in each year as set forth below:

<u>Date</u>	<u>Amount*</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP Number</u>
2019	1,170,395			274672
2020	1,325,000			274672
2021	1,370,000			274672
2022	1,415,000			274672
2023	1,465,000			274672
2024	1,510,000			274672
2025	1,560,000			274672
2026	1,615,000			274672
2027 ⁽¹⁾	1,665,000			274672
2028 ⁽¹⁾	1,720,000			274672
2029 ⁽¹⁾	1,780,000			274672
2030 ⁽¹⁾	1,835,000			274672
2031 ⁽¹⁾	1,895,000			274672
2032 ⁽¹⁾	1,960,000			274672
2033 ⁽¹⁾	2,025,000			274672

*The principal maturities of the Bonds are subject to adjustment following their sale pursuant to the terms of the accompanying Notice of Bond Sale to achieve substantially level or declining annual debt service as provided in the Local Finance Law and/or adjustment following their sale pursuant to the terms of the accompanying Notice of Bond Sale with respect to premium.

- (1) The Bonds maturing in the years 2027 and thereafter will be subject to optional redemption prior to maturity, as described herein. See "Optional Redemption" herein.

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
ROCKLAND COUNTY, NEW YORK**

2018 - 2019 BOARD OF EDUCATION

HARRY GROSSMANPresident
YEHUDA WEISSMANDL Vice President
MARK BERKOWITZ..... Board Member
BERNARD L. CHARLES, JR..... Board Member
SABRINA CHARLES-PIERRE..... Board Member
JOEL FREILICH Board Member
PIERRE C. GERMAIN Board Member
YOEL T. TRIEGER..... Board Member
EPHRAIM WEISSMANDL..... Board Member

DISTRICT OFFICIALS

DR. DEBORAH L. WORTHAM Superintendent of Schools
VALTER PACI.....Assistant Superintendent of Finance
ISRAEL BIER District Treasurer
CATHERINE RUSSELL.....District Clerk

INDEPENDENT AUDITORS

**R.S. Abrams & Co., LLP
Islandia, New York**

BOND COUNSEL

**Hawkins Delafield & Wood LLP
New York, New York**

MUNICIPAL ADVISOR



**Capital Markets Advisors, LLC
Hudson Valley * Long Island * Southern Tier * Western New York
(845) 227-8678**

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No dealer, broker, salesman or other person has been authorized by the East Ramapo Central School District to give any information or to make any representations not contained in this Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy any of the Bonds and Notes in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. The information, estimates and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof.

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OFFICIAL STATEMENT

EAST RAMAPO CENTRAL SCHOOL DISTRICT ROCKLAND COUNTY, NEW YORK

relating to

\$24,310,395*

SCHOOL DISTRICT SERIAL BONDS - 2019
(the "Bonds")

\$33,056,850

BOND ANTICIPATION NOTES FOR VARIOUS SCHOOL PURPOSES – 2019
(the "Notes")

This Official Statement, which includes the cover page, the inside cover page and the appendices hereto, presents certain information relating to the East Ramapo Central School District, in Rockland County, in the State of New York (the "District," "County," and "State," respectively), in connection with the sale of \$24,310,395* School District Serial Bonds – 2019 (the "Bonds") and \$33,056,850 Bond Anticipation Notes for Various School Purposes – 2019 (the "Notes").

All quotations from and summaries and explanations of provisions of the Constitution and laws of the State and acts and proceedings of the District contained herein do not purport to be complete and are qualified in their entirety by reference to the official compilations thereof. All references to the Bonds and Notes and the proceedings of the District relating thereto are qualified in their entirety by reference to the definitive form of the Bonds and Notes and such proceedings.

THE DISTRICT HAS EXPERIENCED FINANCIAL AND OPERATIONAL DIFFICULTIES IN RECENT YEARS WHICH COULD AFFECT THE MARKETABILITY AND THE MARKET VALUE OF THE BONDS AND NOTES. (SEE "STATE LEGISLATION - APPOINTMENT OF MONITOR", "THE STATE COMPTROLLER'S FISCAL STRESS MONITORING SYSTEM AND OSC COMPLIANCE REVIEWS", "THE DISTRICT – BUDGETARY PROCEDURE AND RECENT BUDGET VOTES", AND "FINANCIAL FACTORS – OPERATING RESULTS" HEREIN).

THE BONDS

Description of the Bonds

The Bonds will be dated their Date of Delivery and will bear interest from such date payable semiannually on December 15 and June 15 in each year until maturity commencing December 15, 2019. The Bonds will mature on December 15 in the years and amounts as set forth on the inside cover page hereof. The Bonds are subject to redemption prior to the maturity (see "*Optional Redemption*" herein).

The Bonds will be issued in fully registered form and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Individual purchases may be made in book-entry form only, in the principal amount of \$5,000 and integral multiples thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds.

Principal of and interest on the Bonds will be made by the District to DTC, which will in turn remit such principal of and interest on to its Participants (defined herein), for subsequent disbursement to the Beneficial Owners (defined herein) of the Bonds as described herein. The Bonds may be transferred in the manner described on the Bonds and as referenced in certain proceedings of the District referred to therein.

*Preliminary, subject to change.

The record date for payment of principal of and interest on the Bonds will be the last business day of the calendar month preceding each interest payment date.

Authority for and Purpose of the Bonds

Authority. The Bonds are issued pursuant to the Constitution, the laws of the State, including, among others, the Local Finance Law and the Education Law, and a bond resolution adopted by the Board of Education of the District January 10, 2017, authorizing the construction of various improvements to buildings and/or sites (the “Project”).

Purpose: The proceeds of the Bonds and \$285,000 of cash on hand will be used to redeem \$24,595,395 Bond Anticipation Notes For Various School Purposes - 2018.

<u>Date Authorized</u>	<u>Original Issue Date</u>	<u>Purpose</u>	<u>Notes Outstanding</u>	<u>Note Paydowns</u>	<u>Amount of the Bonds</u>
01-10-17	04-28-17	Improvements to School Buildings	\$ 23,467,475	\$271,930	\$23,195,545
01-10-17	04-28-17	EXCEL Projects	1,127,920	13,070	1,114,850
Totals			<u>\$24,595,395</u>	<u>\$285,000</u>	<u>\$24,310,395</u>

Optional Redemption

Call Provisions. The Bonds maturing on or before December 15, 2026 are not subject to redemption prior to their stated maturity. The Bonds maturing on or after December 15, 2026 will be subject to redemption prior to maturity, at the option of the District, on any date on or after December 15, 2026, in whole or in part, and if in part in any order of their maturity and in any amount within a maturity (selected by lot within a maturity), at the redemption price of 100% of the par amount of the Bonds to be redeemed, plus accrued interest to the date of redemption.

Call Notification. If less than all of the Bonds of any maturity are to be redeemed, the particular bonds of such maturity to be redeemed shall be selected by lot in any customary manner of selection as determined by the District. Notice of such call for redemption shall be given by mailing such notice to the registered holder not more than sixty (60) days nor less than thirty (30) days prior to such date of redemption. Notice of redemption having been given as aforesaid, the bonds so called for redemption shall, on the date for redemption set forth in such call of redemption, become due and payable together with interest to such redemption date. Interest shall cease to be paid thereon after such redemption date (See “Book-Entry-Only System” for additional information concerning redemptions).

THE NOTES

Description of the Notes

The Notes will be dated and will mature on the date as reflected on the cover page hereof.

The District will act as Paying Agent for the Notes issued in book-entry form. For those Notes registered to the purchaser(s), the purchaser(s) will be, or named, Paying Agent. Paying Agent fees, if any, will be paid for by the purchaser(s). The District’s contact information is as follows: Valter Paci, Assistant Superintendent of Finance, 105 South Madison Avenue, Spring Valley, NY 10977, 845-577-6062, e-mail: vpaci@ercsd.org.

Authority for and Purpose of the Notes

Authority. The Bond Anticipation Notes are issued pursuant to the Constitution, the laws of the State, including, among others, the Local Finance Law and the Education Law, and a bond resolution adopted by the Board of Education of the District January 10, 2017, authorizing the construction of various improvements to buildings and/or sites (the “Project”). After the issuance of the Notes there will be no authorized and unissued debt under this resolution.

Purpose. The proceeds of the Notes will be used to redeem will be used to redeem \$16,000,000 Bond Anticipation Notes for Various School Purposes – 2018 and provide \$ 17,056,850 of new money for the project.

<u>Date Authorized</u>	<u>Original Issue Date</u>	<u>Purpose</u>	<u>Notes Outstanding</u>	<u>Note Paydowns</u>	<u>New Money</u>	<u>Amount of the Notes</u>
01-24-17	04-28-17	Improvements to School Buildings	\$16,000,000	\$ 0	\$17,056,850	\$33,056,850

THE BONDS AND NOTES

Nature of the Obligation

The Bonds and Notes, when duly issued and paid for, will constitute a contract between the District and the holder thereof.

The Bonds and Notes are general obligations of the East Ramapo Central School District, Rockland County, New York (the “District”), and will contain a pledge of the faith and credit of the District for the payment of the principal thereof and interest thereon and, unless paid from other sources, the Bond Anticipation Bonds and Notes are payable from ad valorem taxes which may be levied upon all the taxable real property within the District without limitation as to rate or amount.

Under the Constitution of the State, the District is required to pledge its faith and credit for the payment of the principal of and interest on the Bonds and Notes, and the State is specifically precluded from restricting the power of the District to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted. However, the Tax Levy Limit Law imposes a statutory limitation on the District’s power to increase its annual tax levy. As a result, the power of the District to levy real estate taxes on all the taxable real property within the District is subject to statutory limitations set forth in Tax Levy Limit Law, unless the District complies with certain procedural requirements to permit the District to levy certain year-to-year increases in real property taxes. In addition, the Tax Levy Limit Law expressly provides an exclusion from the annual tax levy limitation for any taxes levied to pay the local share of debt service on bonds or notes issued to finance voter approved capital expenditures, or the refinancing or refunding of such bonds or notes. As the Bonds and Notes are being issued to finance voter approved capital expenditures, the Bonds and Notes qualify for such exclusion to the annual tax levy limitation. The exclusion does NOT apply to taxes to pay debt service on tax anticipation notes, revenue anticipation notes, budget notes and deficiency notes; and any obligations issued to finance deficits and certain judgments, including tax certiorari refund payments. (See “*The Tax Levy Limit Law*” herein.)

REMEDIES UPON DEFAULT

Neither the Bonds and Notes, nor the proceedings with respect thereto, specifically provide any remedies which would be available to owners of the Bonds and Notes should the District default in the payment of principal of or interest on the Bonds and Notes, nor do they contain any provisions for the appointment of a trustee to enforce the interests of the owners of the Bonds and Notes upon the occurrence of any such default. The Bonds and Notes are general obligation contracts between the District and the owners for which the faith and credit of the District are pledged and while remedies for enforcement of payment are not expressly included in the District’s contract with such owners, any permanent repeal by statute or constitutional amendment of a noteholder’s remedial right to judicial enforcement of the contract should, in the opinion of Bond Counsel, be held unconstitutional.

Upon default in the payment of principal of or interest on the Bonds and Notes at the suit of the owner, a Court has the power, in proper and appropriate proceedings, to render judgment against the District. The present statute limits interest on the amount adjudged due to contract creditors to nine per centum per annum from the date due to the date of payment. As a general rule, property and funds of a municipal corporation serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgment. A Court also has the power, in proper and appropriate proceedings, to order payment of a judgment on such notes from funds lawfully available therefor or, in the absence thereof, to order the District to take all lawful action to obtain the same, including the raising of the required amount in the next annual tax levy. In exercising its discretion as to whether to issue such an order, the Court may take into account all relevant factors, including the current operating needs of the District and the availability and adequacy of other remedies. Upon any default in the payment of the principal of or interest on the Bonds and Notes, the owners of such Bonds and Notes could, among other remedies, seek to obtain a writ of mandamus from a Court ordering the governing body of the District to assess, levy and collect an ad valorem tax, upon all taxable property of the District subject to taxation by the District sufficient to pay the principal of and interest on the Bonds and Notes as the same shall come due and payable (and interest from the due date to date of payment) and otherwise to observe the covenants contained in the Bonds and Notes and the proceedings with respect thereto all of which are included in the contract with the owners of the Bonds and Notes. The mandamus remedy, however, may be impracticable and difficult to enforce. Further, the right to enforce payment of the principal of or interest on the Bonds and Notes may be limited by bankruptcy, insolvency, reorganization, moratorium and similar laws and equitable principles, which may limit the specific enforcement of certain remedies.

In 1976, the New York Court of Appeals, the State's highest court, held in *Flushing National Bank v. Municipal Assistance Corporation for the City of New York*, 40 N.Y.2d 731 (1976), that the New York State legislation purporting to postpone the payment of debt service on New York City obligations was an unconstitutional moratorium in violation of the New York State constitutional faith and credit mandate included in all municipal debt obligations. While that case can be viewed as a precedent for protecting the remedies of Noteholders, there can be no assurance as to what a Court may determine with respect to future events, including financial crises as they may occur in the State and in municipalities of the State, that require the exercise by the State of its emergency and police powers to assure the continuation of essential public services. (See also, *Flushing National Bank v. Municipal Assistance Corporation for the City of New York*, 40 N.Y.2d 1088 (1977), where the Court of Appeals described the pledge as a direct Constitutional mandate.)

As a result of the Court of Appeals decision, the constitutionality of that portion of Title 6-A of Article 2 of the Local Finance Law enacted at the 1975 Extraordinary Session of the State legislature authorizing any county, city, town or village with respect to which the State has declared a financial emergency to petition the State Supreme Court to stay the enforcement against such municipality of any claim for payment relating to any contract, debt or obligation of the municipality during the emergency period, is subject to doubt. In any event, no such emergency has been declared with respect to the District.

Pursuant to Article VIII, Section 2 of the State Constitution, the District is required to provide an annual appropriation of monies for the payment of due and payable principal of and interest on indebtedness. Specifically this constitutional provision states: "If at any time the respective appropriating authorities shall fail to make such appropriations, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. The fiscal officer of any county, city, town, village or school district may be required to set aside and apply such revenues as aforesaid at the suit of any holder of obligations issued for any such indebtedness." This constitutes a specific non-exclusive constitutional remedy against a defaulting municipality or school district; however, it does not apply in a context in which monies have been appropriated for debt service but the appropriating authorities decline to use such monies to pay debt service. However, Article VIII, Section 2 of the Constitution of the State also provides that the fiscal officer of any county, city, town, village or school district may be required to set apart and apply such revenues at the suit of any holder of any obligations of indebtedness issued with the pledge of the faith of the credit of such political subdivision. In *Quirk v. Municipal Assistance Corp.*, 41 N.Y.2d 644 (1977), the Court of Appeals described this as a "first lien" on revenues, but one that does not give holders a right to any particular revenues. It should thus be noted that the pledge of the faith and credit of a political subdivision in the State is a pledge of an issuer of a general obligation note to use its general revenue powers, including, but not limited to, its property tax levy, to pay debt service on such obligations, but that such pledge may or may not be interpreted by a court of competent jurisdiction to include a constitutional or statutory lien upon any particular revenues. The Constitutional provision providing for first revenue set asides does not apply to tax anticipation notes, revenue anticipation notes or bond anticipation notes.

While the courts in the State have historically been protective of the rights of holders of general obligation debt of political subdivisions, it is not possible to predict what a future court might hold.

In prior years, certain events and legislation affecting a holder's remedies upon default have resulted in litigation. While courts of final jurisdiction have generally upheld and sustained the rights of noteholders, such courts might hold that future events, including a financial crisis as such may occur in the State or in political subdivisions of the State, may require the exercise by the State or its political subdivisions of emergency and police powers to assure the continuation of essential public services prior to the payment of debt service.

No Past Due Debt

No principal or interest payment on District indebtedness is past due. The District has never defaulted in the payment of the principal of and/or interest on any indebtedness. See also, "*Compliance History*" under the section entitled "*Disclosure Undertaking*" herein.

Bankruptcy

The Federal Bankruptcy Code (Chapter IX) allows public bodies, such as municipalities, recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Title 6-A of the Local Finance Law specifically authorizes any municipality in the State or its emergency control board to file a petition under any provision of Federal bankruptcy law for the composition or adjustment of municipal indebtedness. While this Local Finance Law provision does not apply to school districts, there can be no assurance that it will not become applicable in the future. As such, the undertakings of the District should be considered with reference, specifically, to Chapter IX, and, in general, to other bankruptcy laws affecting creditors' rights and municipalities. Bankruptcy proceedings by the District if authorized by the State in the future, could have adverse effects on bondholders and/or noteholders including (a) delay in the enforcement of their remedies, (b) subordination of their claims to those supplying goods and services to the District after the initiation of bankruptcy proceedings and to the administrative expenses of bankruptcy proceedings and (c) imposition without their consent of a reorganization plan reducing or delaying payment of the Bonds and Notes.

The above references to said Chapter IX are not to be construed as an indication that the State will consent in the future to the right of the District to file a petition with any United States district court or court of bankruptcy under any provision of the laws of the United States, now or hereafter in effect for the composition or adjustment of municipal indebtedness or that the District is currently considering or expects to resort to the provisions of Chapter IX if authorized to do so in the future.

SECTION 99-B OF THE STATE FINANCE LAW

Section 99-b of the State Finance Law (the "SFL") provides for a covenant between the State and the purchasers and the holders and owners from time to time of the bonds and notes issued by school districts in the State for school purposes that it will not repeal, revoke or rescind the provisions of Section 99-b of the SFL, or amend or modify the same so as to limit, impair or impede the rights and remedies granted thereby.

Said section provides that in the event a holder or owner of any bond or note issued by a school district for school purposes shall file with the State Comptroller, a verified statement describing such bond or note and alleging default in the payment thereof or the interest thereon or both, it shall be the duty of the State Comptroller to immediately investigate the circumstances of the alleged default and prepare and file in his office a certificate setting forth his determinations with respect thereto and to serve a copy thereof by registered mail upon the chief fiscal officer of the school district which issued the bond or note. Such investigation by the State Comptroller shall set forth a description of all such bonds and notes of the school district found to be in default and the amount of principal and interest thereon past due.

Upon the filing of such a certificate in the office of the State Comptroller, he shall thereafter deduct and withhold from the next succeeding allotment, apportionment or payment of such State aid or assistance due to such school district

such amount thereof as may be required to pay (a) the school district's contribution to the State Teachers' Retirement System, and (b) the principal of and interest on such bonds and notes of such school district then in default. In the event such State aid or assistance initially so withheld shall be insufficient to pay said amounts in full, the State Comptroller shall similarly deduct and withhold from each succeeding allotment, apportionment or payment of such State aid or assistance due such school district such amount or amounts thereof as may be required to cure such default. Allotments, apportionments and payments of such State aid so deducted or withheld by the State Comptroller for the payment of principal and interest on the bonds and notes shall be forwarded promptly to the paying agent or agents for the bonds and notes in default of such school district for the sole purpose of the payment of defaulted principal and interest on such bonds or notes. If any such successive allotments, apportionments or payment of such State aid so deducted or withheld shall be less than the amount of all principal and interest on the bonds and notes in default with respect to which the same was so deducted or withheld, then the State Comptroller shall promptly forward to each paying agent an amount in the proportion that the amount of such bonds and notes in default payable to such paying agent bears to the total amount of the principal and interest then in default on such bonds and notes of such school district. The State Comptroller shall promptly notify the chief fiscal officer of such school district of any payment or payments made to any paying agent or agents of defaulted bonds or notes pursuant to said section of the SFL.

BOOK-ENTRY-ONLY SYSTEM

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Bonds and if so requested, for the Notes. The Bonds and, if so requested, the Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered bond certificate will be issued for each maturity of the Bonds and will be deposited with DTC. One fully registered note certificate will be issued for the Notes bearing the same rate of interest and CUSIP and deposited with DTC.

DTC, the world’s largest depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of the Bonds and Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds and Notes on DTC’s records. The ownership interest of each actual purchaser of each bond or note (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds and Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds and Notes, except in the event that use of the book-entry system for the Bonds and Notes is discontinued.

To facilitate subsequent transfers, all Bonds and Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds and Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds and Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds and Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds and Notes unless authorized by a Direct Participant in accordance with DTC's Money Market Instruments (MMI) Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds and Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption notices shall be sent to DTC. If less than all of the Bonds and Notes within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Principal and interest payments on the Bonds and Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds and Notes at any time by giving reasonable notice to the District. Under such circumstances, in the event that a successor depository is not obtained, bond and note certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, bond and note certificates will be printed and delivered as applicable.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

Source: The Depository Trust Company

THE INFORMATION CONTAINED IN THE ABOVE SECTION CONCERNING DTC AND DTC'S BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM SAMPLE OFFERING DOCUMENT LANGUAGE SUPPLIED BY DTC, BUT THE DISTRICT TAKES NO RESPONSIBILITY FOR THE ACCURACY THEREOF. IN ADDITION, THE DISTRICT WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATION TO PARTICIPANTS, TO INDIRECT PARTICIPANTS OR TO ANY BENEFICIAL OWNER WITH RESPECT TO: (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY PARTICIPANT OR ANY INDIRECT PARTICIPANT; (II) THE PAYMENTS BY DTC OR ANY PARTICIPANT OR ANY INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF, OR PREMIUM, IF ANY, OR INTEREST ON THE BONDS AND NOTES OR (III) ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO OWNERS.

THE DISTRICT CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE BONDS AND NOTES (1) PAYMENTS OF PRINCIPAL OF OR INTEREST OR REDEMPTION PREMIUM ON THE BONDS AND NOTES (2) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE BONDS AND NOTES OR (3) OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE BONDS AND NOTES, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

THE DISTRICT WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO DTC, THE DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS OF DTC OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC; (2) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF OR INTEREST OR REDEMPTION PREMIUM ON THE BONDS AND NOTES; (3) THE DELIVERY BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY NOTICE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED TO BE GIVEN TO OWNERS ; OR (4) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE REGISTERED HOLDER OF THE BONDS AND NOTES.

MARKET MATTERS AFFECTING FINANCINGS OF THE MUNICIPALITIES OF THE STATE

There are certain potential risks associated with an investment in the Bonds and Notes, and investors should be thoroughly familiar with this Official Statement, including its appendices, in order to make an informed investment decision. Investors should consider, in particular, the following factors:

The District's credit rating could be affected by circumstances beyond the District's control. Economic conditions such as the rate of unemployment and inflation, termination of commercial operations by corporate taxpayers and employers, as well as natural catastrophes, could adversely affect the assessed valuation of District property and its ability to maintain fund balances and other statistical indices commensurate with its current credit rating. As a consequence, a decline in the District's credit rating could adversely affect the market value of the Bonds and Notes.

If and when an owner of any of the Bonds and Notes should elect to sell all or a part of the Bonds and Notes prior to maturity, there can be no assurance that a market will have been established, maintained and continue in existence for the purchase and sale of any of the Bonds and Notes. The market value of the Bonds and Notes is dependent upon the ability of holder to potentially incur a capital loss if such Bonds and Notes are sold prior to its maturity.

There can be no assurance that adverse events including, for example, the seeking by another municipality in the State or elsewhere of remedies pursuant to the Federal Bankruptcy Act or otherwise, will not occur which might affect the market price of and the market for the Bonds and Notes. In particular, if a significant default or other financial crisis should occur in the affairs of the State or any of its municipalities, public authorities or other political subdivisions thereby possibly further impairing the acceptability of obligations issued by those entities, both the ability of the District to arrange for additional borrowing(s) as well as the market for and market value of outstanding debt obligations, including the Bonds and Notes, could be adversely affected.

The District is dependent in part upon financial assistance from the State in the form of State aid as well as grants and loans to be received ("State Aid"). The District's receipt of State aid may be delayed as a result of the State's failure to adopt its budget timely and/or to appropriate State Aid to municipalities and school districts. Should the District fail to receive all or a portion of the amounts of State Aid expected to be received from the State in the amounts and at the times anticipated, occasioned by a delay in the payment of such moneys or by a reduction in State Aid or its elimination, the District is authorized pursuant to the Local Finance Law ("LFL") to provide operating funds by borrowing in anticipation of the receipt of such uncollected State Aid, however, there can be no assurance that, in such event, the District will have market access for any such borrowing on a cost effective basis. The elimination of or any

substantial reduction in State Aid would likely have a materially adverse effect upon the District requiring either a counterbalancing increase in revenues from other sources to the extent available or a curtailment of expenditures. (See also “*State Aid*” herein.)

Future amendments to applicable statutes whether enacted by the State or the United States of America affecting the treatment of interest paid on municipal obligations, including the Bonds and the Bonds and Notes, for income taxation purposes could have an adverse effect on the market value of the Bonds and Notes (see “*Tax Matters*” herein).

The enactment of the Tax Levy Limit Law, which imposes a tax levy limitation upon municipalities, school districts and fire districts in the State, including the District, without providing exclusion for debt service on obligations issued by municipalities and fire districts, may affect the market price and/or marketability for the Bonds and Notes. (See “*The Tax Levy Limit Law*” herein.)

Federal or State legislation imposing new or increased mandatory expenditures by municipalities, school districts and fire districts in the State, including the District could impair the financial condition of such entities, including the District and the ability of such entities, including the District to pay debt service on the Bonds and Notes.

STATE LEGISLATION - APPOINTMENT OF MONITOR

Representatives of the State Education Department (“Department”) announced on June 10, 2014 that it appointed a Fiscal Monitor for the East Ramapo Central School District (“District”). Representatives from the Department and the District met several times in an attempt to address the serious fiscal issues facing the District.

On November 17, 2014, the Fiscal Monitor issued a “Report of Investigation” entitled “East Ramapo: A School District in Crisis” (the “Report”). The report purported to highlight a number of factors including: (i) the District lags behind in academic performance and graduation rates in comparison to other school districts in the County; (ii) a disproportionate share of the District’s budget is spent on transportation and special education in comparison to other school districts in the State; (iii) the District transports 23,500 private school students to 140 private schools, versus 9,000 public education students, with no mileage limitation on transportation and with the majority of these students transported by contractors; (iv) 26% of the District’s budget is spent on special education and aspects of the District’s special education program are noncompliant with State and federal law; (v) the District is governed by a Board of Education that is primarily made up of representatives of the private school community, (7 of 9 members); and (iv) the District has the highest rate of budget rejection in the State.

The report made a number of recommendations including (i) reforming the District’s governance structure to provide necessary checks and balances to the Board and Superintendent to protect public school students; (ii) increasing State funding above current levels; (iii) diversity training by the Board and training to ensure greater transparency; (iv) State Education Department review to ensure appropriate service for ELL (English Language Learners) and immigrant students; (v) community leaders should work to bridge the divide between the public and private school communities. The full report can be found at: <http://www.p12.nysed.gov/docs/east-ramapo-fiscal-monitor-presentation.pdf>.

In 2015, the Commissioner of Education (the “Commissioner”) authorized the appointment of three state monitors to oversee the District. In August 2015, a former chancellor for the New York City schools was appointed as lead monitor with two additional individuals comprising the team (the “Monitor”). The Monitor released a report in December 2015 calling for sweeping changes in the District and recommending a permanent monitor with veto power — a recommendation made by a prior report. The monitors continue to oversee the District and issue an annual report.

The monitors’ 2016-17 year end fiscal report is available at:
<http://www.nysed.gov/common/nysed/files/east-ramapo-2016-17-year-end-monitor-fiscal-report.pdf>

The monitors’ 2017-18 year end fiscal report is available at:
<http://www.nysed.gov/common/nysed/files/east-ramapo-report-december-2018.pdf>

In June 2016, legislation was enacted providing for greater State fiscal and programmatic oversight of the District (the “2016 Act”). Pursuant to the 2016 Act, the District received \$3 million in additional State funding for the 2016-17 fiscal year, with \$1 million coming from the State treasury and \$2 million from aid to localities available under Chapter 53 of the Laws of 2016. The 2016 Act provided that the Commissioner shall appoint up to three monitors to carry out the provisions of the 2016 Act, including but not limited to providing oversight, guidance and technical assistance related to the educational and fiscal policies, practices, programs and decisions of the District, the Board and the Superintendent. In order to receive the \$1 million of funds, the District was required to develop and did develop a long-term strategic academic and fiscal improvement plan within six months of the enactment of the 2016 Act. During the effective period of the 2016 Act the monitors and the Commissioner undertook periodic enhanced reviews of the District fiscal and academic programs. Further, the board of education, in consultation with the monitors, shall annually submit the school district's proposed budget for the next succeeding school year to the commissioner. The commissioner shall review the budget and shall present his or her findings to the board of education. The board of education shall make adjustments to the proposed budget consistent with any recommendations made by the commissioner. The 2016 Act expired on June 30, 2017.

In October 2017, monitors of the District released a report that found the District was taking actions to improve its financial stability, academic opportunities and outcomes for all students, success for students with disabilities and English language learners, and compliance with state and federal laws and regulations.

In the report on the District’s progress, the monitors noted the District collaborated with them and community stakeholders to develop and implement strategic and academic improvement plans. The fiscal improvement plan aligned fiscal resources with strategic academic plan, noted risks and liabilities, identified internal control improvement opportunities and examined long-term fiscal sustainability.

As a result, the District:

- Increased its General Fund unassigned fund balance to \$4.2 million as of June 30, 2016, \$9.2 million as of June 30, 2017 and \$8.4 million as of June 30, 2018;
- Restored full-day kindergarten for all students and elementary arts programming using a \$3 million grant from New York State;
- Provided additional academic opportunities in the 2017-18 budget including:
 - offering summer academies in music, computer science, health science, extended school year for K-8 students and interrupted instruction for grades 9 & 10;
 - expanding English as a New Language and bilingual instruction;
 - adding a STEAM program;
 - strengthening special education instruction; and
 - increasing teacher supports;
- Embarked on a \$59.1 million capital improvement plan to address the district’s most critical infrastructure needs; and
- Strengthened its financial management practices, implemented an improved accounting policy and vigorously monitors expenditures.

Cybersecurity

The District, like many other public and private entities, relies on technology to conduct its operations. As a recipient and provider of personal, private, or sensitive information, the District faces multiple cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. To mitigate the risk of business operations impact and/or damage from cyber incidents or cyber-attacks, the District invests in various forms of cybersecurity and operational controls; however, no assurances can be given that such security and operational control measures will be completely successful to guard against cyber threats and attacks. The results of any such attack could impact business operations and/or damage District digital networks and systems and the costs of remedying any such damage could be substantial.

THE STATE COMPTROLLER'S FISCAL STRESS MONITORING SYSTEM AND OSC COMPLIANCE REVIEWS

The New York State Comptroller has reported that New York State's school districts and municipalities are facing significant fiscal challenges. As a result, the Office of the State Comptroller ("OSC") has developed a Fiscal Stress Monitoring System ("FSMS") to provide independent, objectively measured and quantifiable information to school district and municipal officials, taxpayers and policy makers regarding the various levels of fiscal stress under which the State's school districts and municipalities are operating.

The fiscal stress scores are based on financial information submitted as part of each school district's ST-3 report filed with the State Education Department annually, and each municipality's annual report filed with the State Comptroller. Using financial indicators that include year-end fund balance, cash position and patterns of operating deficits, the system creates an overall fiscal stress score which classifies whether a school district or municipality is in "significant fiscal stress", in "moderate fiscal stress," as "susceptible to fiscal stress" or "no designation". Entities that do not accumulate the number of points that would place them in a stress category will receive a financial score but will be classified in a category of "no designation." This classification should not be interpreted to imply that the entity is completely free of fiscal stress conditions. Rather, the entity's financial information, when objectively scored according to the FSMS criteria, did not generate sufficient points to place them in one of the three established stress categories.

The most current applicable report of the State Comptroller designates the District as "Susceptible."

See the State Comptroller's official website for more information on FSMS. Reference to such website implies no warranty of accuracy of information therein.

The financial affairs of the District are subject to periodic compliance reviews by OSC to ascertain whether the District has complied with the requirements of various State and federal statutes. The last audit conducted by OSC was released on September 12, 2019. The OSC conducted an audit of 10 school districts throughout New York State to determine whether school districts were providing physical education classes consistent with the regulations of the Commissioner of the New York State Education Department.

OSC also conducted an audit dated June 21, 2016. The purpose of this audit was to assess the District's progress as of January 2016 in implementing recommendations in the audit reports released in 2011 and 2013. Of the five audit recommendations from the 2013 report, one recommendation was fully implemented, one was partially implemented and three were not implemented. Of the 11 audit recommendations from the 2011 report, one recommendation was fully implemented, seven were partially implemented, two were not implemented and one was not applicable.

The purpose of the July 19, 2013 audit was to examine the District's financial condition for the period July 1, 2009 through February 1, 2013. The audit found that the District had experienced both planned and unplanned operating deficits in its general fund over certain fiscal years prior to such audit. These deficits were caused by inaccurate budget estimates. As a result of the operating deficits, the District's fund balance had been depleted. The complete reports and the District's response can be obtained from the OSC's website.

LITIGATION

The following summarizes litigation pending or recently concluded.

NAACP, Spring Valley Branch, et. al. v East Ramapo Central School District, et. al. Case No. 7:17-cv-08943-CS-JCM: This case has been filed in Federal District Court and claims the current method of electing Board members fails to comply with Section 2 of the Voting Rights Act, 42 U.S.C. § 1973. The claim is being vigorously pursued by the plaintiffs and is being moved along at a very sharp rate. Plaintiffs desire a complete overhaul of the manner in which Board members are elected, implementing a ward voting system. The plaintiffs seek equitable relief, a change in the voting method and system, not fiscal relief. Nonetheless, the estimated cost for defending this litigation is anticipated to exceed one million dollars (\$1,000,000). A motion for summary judgment was recently filed by the District.

East Ramapo Central School District v. New York Schools Insurance Reciprocal, No. 60093-13, Supreme Court of the State of New York, Nassau County, and the New York Supreme Court, Appellate Division – Second Department. This is a state court action in which the District sued its insurer for breach of contract arising out of the insurer’s disclaimer of coverage for the defendants in *Montesa, et al. v. Schwartz, et al.*, No. No. 7:12-cv-06057-CS-JCM (S.D.N.Y.). The court granted the District’s motion for partial summary judgment on the issue of liability to defend the District and ruled that NYSIR was obligated to reimburse the District for its defense costs. On the amount of damages for NYSIR’s breach of contract, the court granted summary judgment to the District in part, awarding it \$187,500 of more than \$2 million in attorneys’ fees. The District has appealed that decision to the Appellate Division – Second Department. The Appellate Division recently issued a decision which supported many of the District claims, but not all. The case is now back up on appeal to the Appellate Division.

Eugene Lucas, as President, East Ramapo Maintenance, Transportation Special Services and Security Employee Union, et. al. v. the Board of Education, East Ramapo Central School District, Dr. Joel Klein, et. al., Rockland County Supreme Court Index No. SU- Index No.: 31187/2018: This is an Article 78 Proceeding concerning the termination of twenty (20) school bus driver positions which occurred in 2014. In a prior decision, Judge Thorsen determined the District did not comply with the NYS Open Meetings Law on May 6, 2014 when drivers were terminated. The District also took action in November 2018 consistent with the Judge’s decision. Following the Board action in November the plaintiffs filed the present action contending that the drivers should have been rehired after the November 2017 action by the Board. The District responded to the suit and successfully won the case. The opposing side has filed a notice of appeal but to date has not perfected it.

EREU Grievance: The EREU (same union as above) challenged the lay-off of 15 bus drivers by Board action in March 2018. The Union claims the lay-off was a violation of an agreement not to subcontract union work. The arbitrator sided with the union and ordered rehiring of the employees and back pay. This amounts to rehiring six former employees and paying back a sum estimated at less than \$150,000 in total.

Tax Matters: There are currently pending certiorari proceedings, the results of which could require the payment of future tax refunds by the School District if existing assessment rolls are modified and based on the outcome of litigation proceedings. However, the amount of these possible refunds cannot be determined at the present time. Any payments resulting from adverse decisions will be funded in the year the payment is made.

Insurance Matters: The District insurance carrier and its former carrier, NYSIR, continue to handle several cases of varied nature. These are, to the best of this office’s knowledge, covered by the District’s indemnity clauses. It might behoove the District to receive a complete overview of those cases from the respective carriers.

Special Education: There are a few pending cases relating to parents of special education students who have filed claims for reimbursement for their costs of private school placements for these children. The School District’s legal counsel has not valued the annual costs of these various claims. On due process complaint that is awaiting decision (IHRs Case No. 98058) from the independent hearing officer. Depending on the ruling, the District or the parent’s attorney could file an appeal with the SRO and then to federal district court for possible further appeal of the decision by the SRO.

There are various personal injury claims pending against the District which are being defended by various counsel assigned through the District’s insurance carrier, NYSIR and its new insurance company. NYSIR is covering costs related to the defense of these matters through the insurance policy the District currently has with NYSIR.

TAX MATTERS

Opinion of Bond Counsel

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the District, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Bonds and Notes is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and (ii) interest on the Bonds and Notes is not treated as a preference item in calculating the alternative minimum tax under the Code. The Tax Certificate of the District (the “Tax

Certificate”), which will be delivered concurrently with the delivery of the Bonds and Notes will contain provisions and procedures relating to compliance with applicable requirements of the Code. In rendering its opinion, Bond Counsel has relied on certain representations, certifications of fact, and statements of reasonable expectations made by the District in connection with the Bonds and Notes, and Bond Counsel has assumed compliance by the District with certain ongoing provisions and procedures set forth in the Tax Certificate relating to compliance with applicable requirements of the Code to assure the exclusion of interest on the Bonds and Notes from gross income under Section 103 of the Code.

In addition, in the opinion of Bond Counsel to the District, under existing statutes, interest on the Bonds and Notes is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York.

Bond Counsel expresses no opinion as to any federal, state or local tax consequences arising with respect to the Bonds and Notes, or the ownership or disposition thereof, except as stated above. Bond Counsel renders its opinion under existing statutes and court decisions as of the issue date, and assumes no obligation to update, revise or supplement this opinion to reflect any action thereafter taken or not taken, any fact or circumstance that may thereafter come to its attention, any change in law or interpretation thereof that may thereafter occur, or for any other reason. Bond Counsel expresses no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, Bond Counsel expresses no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Bonds and Notes.

Certain Ongoing Federal Tax Requirements and Certifications

The Code establishes certain ongoing requirements that must be met subsequent to the issuance and delivery of the Bonds and Notes in order that interest on the Bonds and Notes be and remain excluded from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to use and expenditure of gross proceeds of the Bonds and Notes, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that certain excess earnings on gross proceeds be rebated to the federal government. Noncompliance with such requirements may cause interest on the Bonds and Notes to become included in gross income for federal income tax purposes retroactive to their issue date, irrespective of the date on which such noncompliance occurs or is discovered. The District in executing the Tax Certificate, will certify to the effect that the District will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure the exclusion of interest on the Bonds and Notes from gross income under Section 103 of the Code.

Certain Collateral Federal Tax Consequences

The following is a brief discussion of certain collateral federal income tax matters with respect to the Bonds and Notes. It does not purport to address all aspects of federal taxation that may be relevant to a particular owner of a Bond or Note. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Bonds and Notes.

Prospective owners of the Bonds and Notes should be aware that the ownership of such obligations may result in collateral federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is excluded from gross income for federal income tax purposes. Interest on the Bonds and Notes may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

Original Issue Discount

“Original issue discount” (“OID”) is the excess of the sum of all amounts payable at the stated maturity of a Bond or Note (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates)

over the issue price of that maturity. In general, the “issue price” of a maturity (a bond with the same maturity date, interest rate and credit terms) means the first price at which at least 10% of such maturity was sold to the public, i.e., a purchaser who is not, directly or indirectly, a signatory to a written contract to participate in the initial sale of the Bonds and Notes. In general, the issue price for each maturity of the Bonds and Notes is expected to be the initial public offering price set forth on the cover of the Official Statement. Bond Counsel further is of the opinion that, for any Bond or Note having OID (a “Discount Bond” or “Discount Note”), OID that has accrued and is properly allocable to the owners of the Discount Bonds and/or Discount Notes under Section 1288 of the Code is excludable from gross income for federal income tax purposes to the same extent as other interest on the Bonds and Notes.

In general, under Section 1288 of the Code, OID on a Discount Bond and Discount Note accrues under a constant yield method, based on periodic compounding of interest over prescribed accrual periods using a compounding rate determined by reference to the yield on that Discount Bond and Discount Note. An owner’s adjusted basis in a Discount Bond or Discount Note is increased by accrued OID for purposes of determining gain or loss on sale, exchange, or other disposition of such Discount Bond and Discount Note. Accrued OID may be taken into account as an increase in the amount of tax-exempt income received or deemed to have been received for purposes of determining various other tax consequences of owning a Discount Bond and Discount Note even though there will not be a corresponding cash payment.

Owners of Discount Bonds and Discount Notes should consult their own tax advisors with respect to the treatment of original issue discount for federal income tax purposes, including various special rules relating thereto, and the state and local tax consequences of acquiring, holding, and disposing of Discount Bonds and Discount Notes.

Bond and Note Premium

In general, if an owner acquires a Bond or Note for a purchase price (excluding accrued interest) or otherwise at a tax basis that reflects a premium over the sum of all amounts payable on the Bond or Note after the acquisition date (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates), that premium constitutes “bond or note premium” on that Bond or Note (a “Premium Bond or Note”). In general, under Section 171 of the Code, an owner of a Premium Bond or Note must amortize the bond premium over the remaining term of the Premium Bond or Note, based on the owner’s yield over the remaining term of the Premium Bond or Note, determined based on constant yield principles (in certain cases involving a Premium Bond or Note callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such bond or note). An owner of a Premium Bond or Note must amortize the bond premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner’s regular method of accounting against the bond premium allocable to that period. In the case of a tax-exempt Premium Bond or Note, if the bond or note premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the owner of a Premium Bond or Note may realize a taxable gain upon disposition of the Premium Bond or Note even though it is sold or redeemed for an amount less than or equal to the owner’s original acquisition cost. Owners of any Premium Bonds and Notes should consult their own tax advisors regarding the treatment of bond or note premium for federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, amortization of bond or note premium on, sale, exchange, or other disposition of Premium Bonds and Notes.

Information Reporting and Back Up Withholding

Information reporting requirements apply to interest on tax-exempt obligations, including the Bonds and Notes. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, “Request for Taxpayer Identification Number and Certification,” or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to “backup withholding,” which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a “payor” generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Bond or Note through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Bonds and Notes from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's federal income tax once the required information is furnished to the Internal Revenue Service.

Miscellaneous

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Bonds and Notes under federal or state law or otherwise prevent beneficial owners of the Bonds and Notes from realizing the full current benefit of the tax status of such interest. In addition, such legislation or actions (whether currently proposed, proposed in the future, or enacted) and such decisions could affect the market price or marketability of the Bonds and Notes.

Prospective purchasers of the Bonds and Notes should consult their own tax advisors regarding the foregoing matters.

Legal Matters

Legal matters incident to the authorization, issuance and sale of the Bonds and the Notes are subject to the respective approving opinions of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel. Bond Counsel's opinions will be in substantially the forms attached hereto as Appendix D.

DISCLOSURE UNDERTAKING FOR THE BONDS

In order to assist the purchasers in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12") with respect to the Bonds, the District will execute a Certificate to Provide Continuing Disclosure for the benefit of holders of and owners of beneficial interests in the Bonds, the form of which is attached hereto as Appendix E hereto.

DISCLOSURE UNDERTAKING FOR THE NOTES

In order to assist the purchasers in complying with Rule 15c2-12 with respect to the Notes, the District will execute an Undertaking to Provide Notices of Events for the benefit of holders of and owners of beneficial interests in the Notes, the form of which is attached hereto as Appendix F.

MUNICIPAL ADVISOR

Capital Markets Advisors, LLC, Hopewell Junction, New York, (the "Municipal Advisor") is an independent municipal advisor registered with the United States Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor has served as the independent financial advisor to the District in connection with this transaction.

In preparing the Official Statement, the Municipal Advisor has relied upon governmental officials, and other sources, who have access to relevant data to provide accurate information for the Official Statement. The Municipal Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of such information. The Municipal Advisor is not a public accounting firm and has not been engaged by the District to compile, review, examine or audit any information in the Official Statement in accordance with accounting standards. The Municipal Advisor is not a law firm and does not provide legal advice with respect to this or any debt offerings of the District. The Municipal Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities and therefore will not participate in the underwriting of the Bonds and Notes.

RATING

The District has applied to Moody's Investors Service ("Moody's") for a rating of the Bonds. Such application is pending at this time. The District did not apply for a rating of the Notes. The Notes may be rated at the option and at the cost of the purchaser.

The District's outstanding uninsured bonds are assigned a rating of "Baa2 (Stable Outlook)" by Moody's Investors Service ("Moody's").

Such rating reflects only the view of such organization, and an explanation of the significance of such rating should be obtained only from Moody's at the following address: Moody's Investors Service, 7 World Trade Center, 250 Greenwich Street, New York, New York 10007. There can be no assurance that such rating will continue for any specified period of time or that such rating will not be revised or withdrawn, if in the judgment of Moody's circumstances so warrant. Any such change or withdrawal of such rating may have an adverse effect on the market price of the Bonds and Notes or the availability of a secondary market for the Bonds and Notes.

ADDITIONAL INFORMATION

Additional information may be obtained upon request from Valter Paci, Assistant Superintendent of Finance, 105 South Madison Avenue, Spring Valley, New York 10977, (845) 577-6062, e-mail: vpaci@ercsd.org or from the District's Municipal Advisor, Capital Markets Advisors, LLC, 822 Route 82 – Suite 310, Hopewell Junction, New York 12533, (845) 227-8678.

Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not as representations of fact. No representation is made that any of such statements will be realized. This Official Statement is not to be construed as a contract or agreement between the District and the purchasers or holders of any of the Bonds and Notes.

Capital Markets Advisors, LLC may place a copy of this Official Statement on its website at www.capmark.org. Unless this Official Statement specifically indicates otherwise, no statement on such website is included by specific reference or constitutes a part of this Official Statement. Capital Markets Advisors, LLC has prepared such website information for convenience, but no decisions should be made in reliance upon that information. Typographical or other errors may have occurred in converting original source documents to digital format, and neither the District nor Capital Markets Advisors, LLC assumes any liability or responsibility for errors or omissions on such website. Further, Capital Markets Advisors, LLC and the District disclaim any duty or obligation either to update or to maintain that information or any responsibility or liability for any damages caused by viruses in the electronic files on the website. Capital Markets Advisors, LLC and the District also assume no liability or responsibility for any errors or omissions or for any updates to dated website information.

EAST RAMAPO CENTRAL SCHOOL DISTRICT
ROCKLAND COUNTY, NEW YORK

By: _____
Harry Grossman
President of the Board and Chief Fiscal Officer

DATED: April __, 2019

APPENDIX A

THE DISTRICT

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THE DISTRICT

General Information

East Ramapo Central School District is the second largest school district in Rockland County. Located 25 miles northwest of New York City, in the center of Rockland County, the District encompasses approximately 33 square miles, primarily within the Town of Ramapo, with a small portion situated in the Towns of Clarkstown and Haverstraw. The District encompasses the Villages of Chestnut Ridge, New Hempstead, Kaser, Pomona, Spring Valley and Wesley Hills, plus the unincorporated areas of Hillcrest and Monsey, as well as sections of Haverstraw, New City and Pearl River.

The District is served by a road network which includes the New York State Thruway (I87), Interstate 287, the Palisades Interstate Parkway, the Garden State Parkway and New York State Routes 17, 45, 202 and 306. There is Conrail freight service and Metro North passenger services within the District.

Orange & Rockland Utilities provides electricity and gas service to residential, commercial and industrial users.

Fire protection is furnished throughout the District by volunteer fire companies and through fire protection districts.

Police protection is provided by local town and village police departments.

District Organization

Subject to the provisions of the State Constitution, the District operates pursuant to the Education Law, the Local Finance Law, other laws generally applicable to the District, and any special laws applicable to the District. Under such laws, there is no authority for the District to have a charter or adopt local laws.

The legislative power of the District is vested in the Board of Education. Under current law, an election is held within the District boundaries on the third Tuesday of May each year to elect members of the Board of Education. Board members are generally elected for a term of three years, unless filling a vacancy.

In early July of each year, the Board of Education meets for the purpose of reorganization. At that time, the Board elects a President and Vice President, and appoints a District Clerk and District Treasurer.

On June 16, 2016, the State Legislature approved legislation providing for greater State fiscal and programmatic oversight of the District. Please see "STATE LEGISLATION – APPOINTMENT OF MONITOR" herein.

Financial Organization

Pursuant to the Local Finance Law, the President of the Board of Education is the chief fiscal officer of the District. However, certain of the financial functions of the District are the responsibility of the Superintendent of Schools, Assistant Superintendent of Finance and the District Clerk.

Financial Statements and Accounting Procedures

The financial accounts of the District are maintained in accordance with the New York State Uniform System of Accounting for School Districts. Such accounts are audited annually by independent auditors and are available for public inspection upon request.

Budgetary Procedure and Recent Budget Votes

The District's fiscal year begins on July 1 and ends on June 30. Starting in the fall or winter of each year, the District's financial plan and enrollment projection are reviewed and updated. And the first draft of the next year's proposed budget is developed by the central office staff. During the winter and early spring, the budget is developed and refined in conjunction with the school building principals and department supervisors. The District's budget is subject to the

provisions of the Tax Levy Limit Law, which imposes a limitation on the amount of real property taxes that a school district may levy, and by law is submitted to voter referendum on the third Tuesday of May each year. (See “*The Tax Levy Limit Law*” herein).

The Budget for the 2018-19 fiscal year was *not* approved by a majority of the qualified voters of the District on May 15, 2018 by margin of 3,342 to 2,728. On June 19, 2018, the voters again rejected the 2018-19 school budget, forcing the District to adopt a contingency budget. Officials were required by law to resort to a contingency budget, with \$4.3 million trimmed from the \$237.3 million budget proposal that failed during the revote. According to the unofficial results provided by the District 2,509 voters supported the budget proposition, while 3,137 were against it. The budget that failed called for a 2.89% tax levy increase, which was within the State’s tax cap limit.

The Budget for the 2017-18 fiscal year was not approved by a majority of the qualified voters of the District on May 16, 2017 by margin of 9,986 to 1,441. The budget called for a 2.49% tax levy increase, an amount which exceeded the tax levy limit, and required approval by a super majority or 60% of the voters. On June 20, 2017, the District called for a second vote on the 2017-18 fiscal year budget with a 1.48% tax levy increase, which was equal to the maximum allowable tax levy increase. The budget was approved by a margin of 2,121 to 1,809. See Appendix B for a summary of the 2017-18 budget.

The Budget for the 2016-17 fiscal year was approved by a majority of the qualified voters of the District on May 17, 2016 by a margin of 4,544 to 3,615. This budget called for a tax levy increase of 1.69% which was equal to the maximum allowable tax levy increase. See Appendix B for a summary of the 2016-17 budget.

The Budget for the 2015-16 fiscal year was approved by a majority of the qualified voters of the District on May 19, 2015 by a margin of 5,200 to 4,193. This budget called for a tax levy increase of 1.26%.

The Budget for the 2014-15 fiscal year was approved by a majority of the qualified voters by a vote of 2,497 to 2,092 on May 20, 2015. This budget called for a tax levy increase of 2.8% which was equal to the maximum allowable tax levy increase.

School Enrollment Trends

<u>School Year</u>	<u>Enrollment</u>	<u>School Year</u>	<u>Projected Enrollment</u>
2014-15	8,527	2019-20	8,880
2015-16	8,539	2020-21	8,900
2016-17	8,547	2021-22	8,920
2017-18	8,841		
2018-19	8,866		

Note: The District also has approximately 27,000 non public students which utilize the District’s transportation services, textbooks, and special education services.

Source: School District records and estimates.

District Facilities

The District presently operates ten elementary schools, one middle school, two high schools, one special education school, an administration center and a transportation facility.

<u>Name</u>	<u>Grades</u>	<u>Capacity</u>	<u>Year Built</u>
Summit Park Elementary School	K-3	756	1961, 1966
Margetts Elementary School	K-3	756	1964
Hempstead Elementary School	K-6	756	1955, 1964
Grandview Elementary School	K-3	756	1961, 1964
Fleetwood Elementary School	K-3	756	1961, 1964
Kakiat Elementary	K-3	1,745	1960, 1966, 1982
Lime Kiln Elementary School	4-6	756	1966
Eldorado Elementary School	4-6	756	1969
Elmwood Elementary School	4-6	756	1966
Chestnut Ridge Middle School	7-8	1,114	1970
Pomona Middle School	7-8	1,638	1964, 1966
Spring Valley Senior High School	9-12	1,891	1955, 1959, 1967, 1982
Ramapo Senior High School	10-12	2,108	1964, 1967

District Employees

<u>Employees Represented</u>	<u>Union Representation</u>	<u>Contract Expiration Date</u>
75	Association of Educational Secretaries	06-30-2019
26	East Ramapo Building Administrators' Association	06-30-2018 ⁽¹⁾
72	East Ramapo Custodial Association	06-30-2020
814	East Ramapo Teachers' Association	06-30-2021
26	New York State Nurses Association	06-30-2020
53	East Ramapo Maintenance, Transportation, Security and Special Employees' Association	06-30-2020
15	Supervisors of Business Services Staff Unit	06-30-2016 ⁽¹⁾
178	Teaching Assistants of East Ramapo	06-30-2019
3	East Ramapo Association of Instructional Supervisors	06-30-2020
139	East Ramapo Association of Substitute Teachers	06-30-2018 ⁽¹⁾
10	East Ramapo Association of Occupational Therapy Assistants	06-30-2020

(1) Currently under negotiations.
Source: School District Officials.

Employee Benefits

New York State Certified employees (teachers and administrators) are members of the New York State Teachers Retirement System ("TRS"). Payments to the TRS are generally deducted from State aid payments. All non-NYS certified/civil service employees of the District eligible for pension or retirement benefits under the Retirement and Social Security Law of the State of New York are members of the New York State and Local Employee's Retirement System ("ERS"). Both the TRS and ERS are non-contributory with respect to members hired prior to July 1, 1976. Other than as discussed below, all members of the respective systems hired on or after July 1, 1976 with less than 10 year's full-time service contribute 3% (ERS) or 3.5% (TRS) of their gross annual salary toward the cost of retirement programs.

On December 10, 2009 a new Tier V was signed into law. The law is effective for new ERS and TRS employees hired after January 1, 2010 and on or before April 1, 2012. Tier V ERS employees will contribute 3% of their salaries and TRS employees will contribute 3.5% of their salaries. There is no provision for these contributions to cease after a certain period of service.

On March 16, 2012, Governor Cuomo signed into law Chapter 18 of the Laws of 2012, which legislation provides for a new Tier VI for employees hired on or after April 1, 2012. The new pension tier has progressive contribution rates between 3% and 6% with no provision for these contributions to cease after a certain period of service; it increases the retirement age for new employees from 62 to 63 and includes provisions allowing early retirement with penalties. Under Tier VI, the pension multiplier will be 1.75% for the first 20 years of service and 2% thereafter; vesting will occur after 10 years; the time period for calculation of final average salary is increased from three years to five years; and the amount of overtime to be used to determine an employee's pension is capped at \$15,000, indexed for inflation, for civilian and non-uniform employees and at 15% of base pay for uniformed employees outside of New York City. It also includes a voluntary, portable, defined contribution plan option for new non-union employees with salaries of \$75,000 or more.

Pension reform legislation enacted in 2003 and 2004 changed the cycle of ERS billing to match budget cycles of the District. The reform legislation also required the District to make a minimum contribution of 4.5% of payroll every year, including years in which the investment performance of the fund would otherwise make a lower contribution possible.

Due to prior poor performance of the investment portfolio of TRS and ERS, the employer contribution rates for required pension contributions to the TRS and ERS in 2011 and certain subsequent years have increased. To help mitigate the impact of such increases, legislation was enacted to permit school districts to amortize a portion of the contributions to the ERS only. Under such legislation, school districts that choose to amortize will be required to set aside and reserve funds with the ERS for certain future rate increases. The District amortized such ERS contributions for the 2013-14, 2014-15, 2015-16 and 2016-17 fiscal years.

In Spring 2013, the State and TRS approved a Stable Contribution Option ("SCO") that gives school districts the ability to better manage the spikes in Actuarially Required Contribution rates ("ARCs"). ERS followed suit and modified its existing SCO. Each plan allows school districts to pay the SCO amount in lieu of the ARC amount, which is higher, and defer the difference in payment amounts as described below.

The TRS SCO deferral plan is available to school districts for a total of seven years. Under the TRS SCO plan, payment of the deferred amount will commence in year six of the program (2018-19) and continue for five years. School districts can elect to no longer participate in the plan at any time, resume paying the ARC and begin repayment of deferred amounts over five years. Under the TRS SCO, payment of deferred amounts begins the year immediately following the deferral and the repayment period is 12 years. Once made, the election to participate in the TRS SCO is permanent. However, the school districts can choose not to defer payment in any given year. In both plans, interest on the deferred amounts is based on the yield of 10-year U.S. Treasury securities plus 1%.

The primary benefit of participation in the TRS SCO plan is the elimination of the uncertainty in the volatility of future pension contribution ARCs in the near term, thereby providing school districts with significant assistance in its ability to create a stable and reliable fiscal plan. The District has not participated in the TRS SCO plan.

Retirement Billing Procedures

TRS. TRS contributions are paid as a reduction in State aid payments due September 15, October 15 and November 15 of the succeeding fiscal year. Any deficiency or excess in TRS contributions are settled on a current basis in the month of January.

ERS. The District's contributions to ERS are due on or before February 1. Such contributions are based on salary estimates for the State fiscal year ending on March 31 of the next calendar year.

The amounts contributed to ERS and TRS for the last five fiscal years and as budgeted for the current fiscal year are as follows:

Fiscal Year Ended June 30	ERS	TRS
2014	\$2,154,769	\$12,606,832
2015	1,732,360	13,600,704
2016	2,050,812	10,829,755
2017	2,529,370	10,587,899
2018	2,872,093	8,841,249
2019 (Budget)	3,067,951	9,631,615

Source: Audited Financial Statements and Adopted Budget of the District. Summary itself is not audited.

Other Post Employment Benefits

The District provides post-retirement healthcare benefits to various categories of former employees. These costs may be expected to rise substantially in the future. School Districts and Boards of Cooperative Education Services, unlike other municipal units of government in the State, have been prohibited from reducing retiree health benefits or increasing health care contributions received or paid by retirees below the level of benefits or contributions afforded to or required from active employees. This protection from unilateral reduction of benefits had been extended annually by the New York State Legislature until recently when legislation was enacted to make permanent these health insurance benefit protections for retirees. Legislative attempts to provide similar protection to retirees of other local units of government in the State have not succeeded as of the date hereof. Nevertheless, many such retirees of all varieties of municipal units in the State do presently receive such benefits.

For the fiscal year ended June 30, 2018, the District implemented GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions (OPEB), which supersedes GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions. GASB Statement 75 requires the net OPEB liability to be measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees' past period of service (total OPEB liability), less the amount of the OPEB plan's fiduciary net position (if any).

The District's net position has been restated as follows:

GASB Statement 75 Implementation

Net Position Beginning of Year, as Previously Stated	<u>\$ (98,003,278)</u>
Removal of Total OPEB Liability under Statement 45	179,005,902
Restated Total OPEB Liability under Statement 75	<u>(389,863,911)</u>
Net position Beginning of Year, As Restated	<u><u>\$ (308,861,287)</u></u>

Changes in the Total OPEB liability:

Balance at June 30, 2017	\$ 389,863,911
Service Cost	13,907,093
Interest	11,919,040
Benefit Payments	<u>(13,035,691)</u>
Net change in total OPEB liability	<u>12,818,683</u>
Balance at June 30, 2018	<u><u>\$ 402,682,594</u></u>

Investment Policy

Pursuant to Section 39 of the State's General Municipal Law, the District has an investment policy applicable to the investment of all moneys and financial resources of the District. The responsibility for the investment program has been delegated by the Board of Education to the Assistant Superintendent of Finance who was required to establish written operating procedures consistent with the District's investment policy guidelines. According to the investment policy of the District, all investments must conform to the applicable requirements of law and provide for: the safety of the principal; sufficient liquidity; and a reasonable rate of return.

Authorized Investments. The District has designated three banks or trust companies which are located and authorized to conduct business in the State to receive deposits of money. The District is permitted to invest in special time deposits or certificates of deposit.

In addition to bank deposits, the District is permitted to invest moneys in direct obligations of the United States of America, obligations guaranteed by agencies of the United States where the payment of principal and interest are further guaranteed by the United States of America and obligations of the State. Other eligible investments for the District include: revenue and tax anticipation notes issued by any municipality, school district or district corporation other than the District (investment subject to approval of the State Comptroller); obligations of certain public authorities or agencies; obligations issued pursuant to Section 109(b) of the General Municipal Law (certificates of participation) and certain obligations of the District but only with respect to moneys of a reserve fund established pursuant to Section 6 of the General Municipal Law. The District may also utilize repurchase agreements to the extent such agreements are based upon direct or guaranteed obligations of the United States of America. Repurchase agreements are subject to the following restrictions, among others: all repurchase agreements are subject to a master repurchase agreement; trading partners are limited to banks or trust companies authorized to conduct business in the State or primary reporting dealers as designated by the Federal Reserve Bank of New York; securities may not be substituted; and the custodian for the repurchase security must be a party other than the trading partner. All purchased obligations, unless registered or inscribed in the name of the District, must be purchased through, delivered to and held in the custody of a bank or trust company located and authorized to conduct business in the State.

Collateral Requirements. All District deposits in excess of the applicable insurance coverage provide by the Federal Deposit Insurance Act must be secured in accordance with the provisions of and subject to the limitations of Section 10 of the General Municipal Law of the State. Such collateral must consist of the "eligible securities," "eligible surety bonds" or "eligible letter of credit" as described in the law.

Eligible securities pledged to secure deposits must be held by the depository or third party bank or trust company pursuant to written security and custodial agreements. The District's security agreements provide that the aggregate market value of pledged securities must equal or exceed 102% of the deposit, the agreed upon interest, if any, and any costs or expenses arising from the collection such deposits in the event of a default. Securities not registered or inscribed in the name of the District must be delivered, in a form suitable for transfer or with an assignment in blank, to the District or its designated custodial bank. The custodial agreements used by the District provide that pledged securities must be kept separate and apart from the general assets of the custodian and will not, under any circumstances, be commingled with or become part of the backing for any other deposit or liability. The custodial agreement must also provide that the custodian shall confirm the receipt, substitution or release of the collateral, the frequency of revaluation of eligible securities and the substitution of collateral when a change in the rating of a security may cause ineligibility.

An eligible irrevocable letter of credit may be issued, in favor of the District, by a qualified bank other than the depository bank. Such letters may have a term not to exceed 90 days and must have an aggregate value equal to 140% of the deposit obligations and the agreed upon interest. Qualified banks include those with commercial paper or other unsecured or short-term debt ratings within one of the three highest categories assigned by at least one nationally recognized statistical rating organization or a bank that is in compliance with applicable Federal minimum risk-based capital requirements.

An eligible surety bond must be underwritten by an insurance company authorized to do business in the State which has claims paying ability rated in the highest rating category for claims paying ability by at least two nationally recognized statistical rating organizations. The surety bond must be payable to the District in an amount equal to 100% of the aggregate deposits and the agreed interest thereon.

FINANCIAL FACTORS

District finances are operated primarily through its General Fund. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. A Statement of Revenues and Expenditures for the most recent five fiscal years is contained in Appendix B and is summarized below. As reflected in Appendix B, the District derives the bulk of its annual revenues from a tax on real property. Capital improvements are generally financed by the issuance of bonds, bond anticipation notes and the use of funds reserved for capital improvements.

Operating Results

Fiscal Year 2018-19: The 2018-19 budget of the District was defeated by the qualified voters on May 15, 2018. The Board resubmitted the budget for another vote on June 19, 2018 and it was again defeated. Officials were required by law to resort to a contingency budget, with \$4.3 million trimmed from the \$237.3 million budget. Administration officials believe the austerity budget closes the gap in a way that has minimal impact on education. The budget gap is being covered by a transfer from fund balance, reductions in the amount principal to be repaid the capital project bond anticipation notes and reductions to staff and services, predominantly through retirements and not filling vacant positions, although there are some limited layoffs.

Fiscal Year 2017-2018: The 2017-18 budget of the District passed on June 20, 2017. The budget was balanced without the use of appropriated fund balance or one-shot revenues.

Fiscal Year 2016-2017: The 2016-17 budget of the District passed on May 17, 2016. The budget was balanced without the use of appropriated fund balance or one-shot revenues.

Fiscal Year 2015-2016: The 2015-16 budget of the District passed on May 19, 2015. The budget was balanced without the use of appropriated fund balance or one-shot revenues.

Fiscal Year 2014-2015: The 2014-15 budget of the District passed on May 20, 2014. The District completed the sale of the Colton Elementary School and Hillcrest Elementary School in the fall of 2014. The funds from these sales were used to offset the general fund deficit. As a result, the District eliminated the general fund deficit and had a general fund balance at fiscal year end 2014-15 of \$2,458,255.

Real Property Taxes

The District derives a major portion of its revenues from a tax on real property (see “*Statement of Revenues, Expenditures and Changes in Fund Balance-General Fund*” in Appendix B, herein). Chapter 97 of the Laws of 2011, as amended, imposes a tax levy limitation upon the municipalities, school districts and fire districts in the State, including the District. (See “*The Tax Levy Limit Law*” herein).

The following table sets forth total general fund revenues and real property tax revenues during the last five audited fiscal years, and real property tax revenues budgeted for the most recent fiscal year.

<u>Fiscal Year</u>	<u>Total Revenues</u> ⁽¹⁾	<u>Real Property Taxes</u> ⁽²⁾	<u>Real Property Taxes To Revenues</u>
2014	\$200,300,001	\$140,980,322	70.4%
2015	210,492,427	145,166,836	69.0
2016	219,396,569	146,968,267	67.0
2017	229,451,609	148,862,903	64.9
2018	235,725,404	151,192,674	64.1
2019 (Budget)	233,918,191	151,461,007	64.7

(1) General Fund only.

(2) Inclusive of Other Tax Items, which represents STAR tax payments made to the District by the State. (See “*STAR - School Tax Exemption*,” herein).

Source: Audited Financial Statements and Adopted Budgets of the District. This summary is not audited.

State Aid

The District receives appropriations from the State of State aid for operating, building and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. While the State has a constitutional duty to maintain and support a system of free common schools that provides a “sound basic education” to children of the State, there can be no assurance that the State appropriation for State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever. State aid appropriated and apportioned to the School Districts can be paid only if the State has such monies available for such payment.

The following table sets forth total general fund revenues and State aid revenues during the last five fiscal years, and the amount budgeted for the most recent fiscal year.

<u>State Aid</u>			
<u>Fiscal Year Ended June 30:</u>	<u>General Fund Revenues</u>	<u>State Aid⁽¹⁾</u>	<u>State Aid to Revenue</u>
2014	\$200,300,001	\$54,588,200	27.3%
2015	210,492,427	59,469,291	28.3
2016	219,396,569	66,511,944	30.3
2017	229,451,609	74,205,265	32.3
2018	235,725,404	79,145,509	33.6
2019 (Budget)	233,918,191	74,157,245	31.7

(1) Inclusive of Other Tax Items, which represents STAR tax payments made to the District by the State.
Source: Audited Financial Statements and Adopted Budgets of the District.

In addition to the amount of State Aid budgeted annually by the District, the State makes payments of STAR aid representing tax savings provided by school districts to their taxpayers under the STAR Program (see “*STAR-School Tax Exemption*”). The District has received timely STAR aid from the State for the current fiscal year.

The amount of State aid to school districts is dependent in part upon the financial condition of the State. During the 2012 to 2018 fiscal years of the State, State aid to school districts was paid in a timely manner; however, during the State’s 2010 fiscal year, State budgetary restrictions resulted in delayed payments of State aid to school districts in the State. In addition, the availability of State aid and the timeliness of payment of State aid to school districts could be affected by a delay in the adoption of the State budget. Although the State’s 2018-2019 Budget was adopted on March 30, 2018, in advance of the April 1 deadline, the State’s 2017-2018 Budget was adopted on April 9, 2017, a delay of approximately 8 days. No assurance can be given that the State will not experience delays in the adoption of the budget in future fiscal years. Significant delays in the adoption of the State budget could result in delayed payment of State aid to school districts in the State which could adversely affect the financial condition of school districts in the State.

The State receives a substantial amount of federal aid for health care, education, transportation and other governmental purposes, as well as federal funding to respond to, and recover from, severe weather events and other disasters. Many of the policies that drive this federal aid may be subject to change under the federal administration and the current Congress. Current federal aid projections, and the assumptions on which they rely, are subject to revision in the future as a result of changes in federal policy.

The federal government may enact budgetary changes or take other actions that adversely affect State finances. State legislation adopted with the State’s 2018-2019 Budget continues authorization for a process by which the State would manage significant reductions in federal aid during fiscal year 2018-2019 and fiscal year 2019-2020 should they arise. Specifically, the legislation allows the State Budget Director to prepare a plan for consideration by the State Legislature in the event that the federal government (i) reduces federal financial participation in Medicaid funding to the State or its subdivisions by \$850 million or more; or (ii) reduces federal financial participation of other federal aid funding to the State that affects the State Operating Funds financial plan by \$850 million or more, exclusive of any cuts to Medicaid. Each limit is triggered separately. The plan prepared by the State Budget Director must equally

and proportionately reduce appropriations and cash disbursements in the State's General Fund and State Special Revenue Funds. Upon receipt of the plan, the State Legislature has 90 days to prepare its own corrective action plan, which may be adopted by concurrent resolution passed by both houses, or the plan submitted by the State Budget Director takes effect automatically.

On December 22, 2017, President Trump signed into law the Tax Cuts and Jobs Act of 2017 (H.R. 1, P.L. 115-97), making major changes to the Federal Internal Revenue Code, most of which are effective in the 2018 tax year. The new federal tax law makes extensive changes to federal personal income taxes, corporate income taxes, and estate taxes, and the deductibility of various taxes and interest costs. The State's income tax system interacts with the federal system in numerous ways. The federal changes are expected to have significant flow-through effects on State tax burdens and revenues. The State's 2018-2019 Enacted Budget includes legislation decoupling certain linkages between federal and local income tax and corporate taxes, increasing the opportunities for charitable contributions, and providing an option to employers to shift to an employer compensation tax and reduce State personal income taxes. In addition, the State's 2018-2019 Enacted Budget includes legislation that grants localities the option to establish local charitable funds that would provide taxpayers with a credit against their property taxes.

Reductions in federal funding levels could have a materially adverse impact on the State budget. In addition to the potential fiscal impact of policies that may be proposed and adopted by the federal administration and Congress, the State budget may be adversely affected by other actions taken by the federal government, including audits, disallowances, and changes to federal participation rates or other Medicaid rules.

There can be no assurance that the State's financial position will not change materially and adversely from current projections. If this were to occur, the State would be required to take additional gap-closing actions. Such actions may include, but are not limited to: reductions in State agency operations; delays or reductions in payments to local governments or other recipients of State aid including school districts in the State. Reductions in the payment of State aid could adversely affect the financial condition of school districts in the State.

Should the District fail to receive State aid expected from the State in the amounts and at the times expected, occasioned by a delay in the payment of such monies or by a mid-year reduction in State aid, the District is authorized by the Local Finance Law to provide operating funds by borrowing in anticipation of the receipt of uncollected State aid.

Litigation Regarding Apportionment of State Aid

In January 2001, the State Supreme Court issued a decision in Campaign for Fiscal Equity ("CFE") v. State of New York mandating that the system of apportionment of State aid to school districts within the State be restructured by the Governor and the State Legislature. On June 25, 2002, the Appellate Division of the State Supreme Court reversed that decision. On June 26, 2003, the State Court of Appeals, the highest court in the State, reversed the Appellate Division, holding that the State must, by July 30, 2004, ascertain the actual cost of providing a sound basic education, enact reforms to the system of school funding and ensure a system of accountability for such reforms. The Court of Appeals further modified the decision of the Appellate Division by deciding against a Statewide remedy and instead limited its ruling solely to the New York City school system.

After further litigation in 2006, the Court of Appeals held that \$1.93 billion of additional funds for the New York City schools - as initially proposed by the Governor and presented to the State Legislature as an amount sufficient to provide a sound basic education - was reasonably determined. State legislative reforms enacted in the wake of the decision in Campaign for Fiscal Equity ("CFE") v. State of New York, included increased accountability for expenditure of State funds and collapsing over 30 categories of school aid into one classroom operating formula referred to as foundation aid. Foundation aid prioritizes funding distribution based upon student need.

Litigation is continuing however as a statewide lawsuit entitled NYSER v. State of New York has been filed recently on behalf of the State's public-school students. The lawsuit asserts that the State has failed to comply with the decision of the New York State Court of Appeals in CFE v. State of New York. The complaint asks the court for an order requiring the State to immediately discontinue the cap on State aid increases and the supermajority requirements regarding increases in local property tax levies. The complaint also asks the court to order the State to develop a new methodology for determining the actual costs of providing all students the opportunity for a sound basic education, revise the State funding formulas to ensure that all schools receive sufficient resources, and ensure a system of

accountability that measures whether every school has sufficient resources and that all students are, in fact, receiving the opportunity to obtain a sound basic education. On June 27, 2017, the Court of Appeals ruled that NYSER's claims that students in New York City and Syracuse are being denied the opportunity for a sound basic education could go to trial and that NYSER could rely upon the CFE decision in its arguments. It is not possible to predict the outcome of this litigation.

Events Affecting New York School Districts

The recent history of state aid to school districts in the State for the last five years is as follows:

School district fiscal year (2014-2015): The State Legislature adopted the State budget on March 31, 2014. The budget included an increase of \$1.1 billion in State aid for school districts.

The Smart Schools Bond Act was passed as part of the Enacted 2014-2015 State Budget. The Smart Schools Bond Act authorizes the issuance of \$2 billion of general obligation bonds to finance improved educational technology and infrastructure to improve learning and opportunity for students throughout the State. The District's estimated allocation of funds is \$6,105,668.

School district fiscal year (2015-2016): The State Legislature adopted the State budget on March 31, 2015. The budget included an increase of \$1.4 billion in State aid for school districts that was tied to changes in the teacher evaluation and tenure process. School districts were required to obtain approval of their revised teacher evaluation plans by November 15, 2015 in order to receive their allotted increase in State aid.

School district fiscal year (2016-2017): The State Legislature adopted the State budget on March 31, 2016. The budget includes an increase of \$991 million in State aid for school districts over the State's 2015-16 Budget, \$863 million of which consisted of traditional operating aid. In addition to the \$408 million of expense based aid, the Governor's budget included a \$266 million increase in Foundation Aid and a \$189 million restoration to the Gap Elimination Adjustment. The majority of the remaining increase included \$100 million in Community Schools Aid, a newly adopted aid category, to support school districts that wish to create community schools. The funds may only be used for certain purposes such as providing health, mental health and nutritional services to students and their families.

School district fiscal year (2017-2018): The State's 2017-2018 Budget provided for school aid of approximately \$25.8 billion, an increase of \$1.1 billion in school aid spending from the 2016-2017 school year. The majority of the increases have been targeted to high need school districts. Expense-based aids to support school construction, pupil transportation, BOCES and special education were continued in full in keeping with the State's usual practice. Transportation aid increased by 5.5% and building aid increased by 4.8%. The State's 2017-18 Budget continued to link school aid increases for 2017-18 and 2018-19 to teacher and principal evaluation plans approved by September 1 of the current year in compliance with Education Law Section 3012-d. In addition, the State 2017-18 Budget allows the Governor to reduce aid to school districts mid-year if receipts from the Federal government are less than what was expected. The Legislature then will have 90 days to approve the Governor's plan.

School district fiscal year (2018-2019): The State's final education budget includes record support for schools of more than \$26 billion, including an increase of \$1 billion over last year. This four-percent increase continues the commitment of funding education at a rate higher than the growth of the rest of the budget. In addition, the State 2018-19 Budget allows the Governor to reduce aid to school districts mid-year if receipts from the Federal government are less than what was expected.

The District believes that it would mitigate the impact of any delays or the reduction in State aid by reducing expenditures, increasing revenues, appropriating other available funds on hand, and/or by any combination of the foregoing.

Other Revenues

In addition to property taxes and State Aid, the District receives other revenues from miscellaneous sources as shown in Appendix B.

Independent Audits

The District retained the firm of R.S. Abrams & Co., LLP, Certified Public Accountants, to audit its financial statements for the fiscal year ended June 30, 2018. Appendix B, attached hereto, presents excerpts from the District's most recent audited reports covering the last five fiscal years. Appendix C contains a link to the last fiscal year audit.

In addition, the District is subject to audit by the State Comptroller to review compliance with legal requirements and the rules and regulations established by the State. See “*The State Comptroller’s Fiscal Stress Monitoring System and OSC Compliance Reviews*” herein.

REAL PROPERTY TAXES

Real Property Tax Assessments and Rates

	<u>Fiscal Year Ending June 30:</u>				
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Assessed Values:					
Clarkstown	\$316,086,646	\$316,676,910	\$318,082,181	\$319,789,881	\$322,013,644
Haverstraw	439,783,910	438,270,397	435,505,929	435,252,144	441,169,788
Ramapo	<u>1,058,584,920</u>	<u>1,059,959,242</u>	<u>1,069,839,659</u>	<u>1,080,711,350</u>	<u>1,084,179,966</u>
Total Assessed Values	<u>\$1,814,455,476</u>	<u>\$1,814,906,549</u>	<u>\$1,823,427,769</u>	<u>\$1,835,753,375</u>	<u>\$1,847,363,398</u>
Equalization Rates: ⁽¹⁾					
Clarkstown	34.00%	34.00%	33.25%	33.00%	31.50%
Haverstraw	107.50	107.50	103.19	99.65	93.92
Ramapo	15.84	15.84	13.57	12.60	11.90
Full Values:					
Clarkstown	\$929,666,606	\$959,627,000	\$956,638,138	\$969,060,245	\$1,022,265,537
Haverstraw	409,101,312	407,693,393	422,042,765	436,780,878	469,729,331
Ramapo	<u>6,682,985,606</u>	<u>7,299,994,780</u>	<u>7,884,006,330</u>	<u>8,577,074,206</u>	<u>10,602,750,885</u>
Total Full Values	<u>\$8,021,753,524</u>	<u>\$8,667,315,173</u>	<u>\$9,262,687,233</u>	<u>\$9,982,915,329</u>	<u>\$12,094,745,753</u>
Tax Rate Per \$1,000 AV:					
Clarkstown	\$53.06	\$51.21	\$48.38	\$45.89	\$45.32
Haverstraw	16.78	15.72	15.59	15.19	15.20
Ramapo	113.89	116.383	118.533	120.19	119.96
Annual Tax Levy ⁽²⁾	<u>\$144,714,597</u>	<u>\$146,776,896</u>	<u>\$149,255,638</u>	<u>\$151,191,647</u>	<u>\$151,054,443</u>
Uncollected	<u>\$201,524</u>	<u>\$68,874</u>	<u>643,274</u>	<u>434,303</u>	<u>NA</u>
Percent Uncollected	<u>0.10%</u>	<u>.05%</u>	<u>.43%</u>	<u>.29%</u>	<u>NA</u>

(1) The equalization rates presented are the final equalization rates established by the State Board.

(2) Does not include taxes levied for public library purposes.

Tax Limit

The Constitution does not limit the amount that may be raised by the District-wide tax levy on real estate in any fiscal year. However, Chapter 97 of the Laws of 2011 imposes a statutory limit on the amount of real property taxes that a school district may levy. (See “*The Tax Levy Limit Law*” herein.)

The Tax Levy Limit Law

Chapter 97 of the Laws of 2011, as amended, (herein referred to as the “Tax Levy Limit Law” or “Law”) modified previous law by imposing a limit on the amount of real property taxes that a school district may levy. Prior to the enactment of the Law, there was no statutory limitation on the amount of real property taxes that a school district could levy if its budget had been approved by a simple majority of its voters. In the event the budget had been defeated by the voters, the school district was required to adopt a contingency budget. Under a contingency budget, school budget increases were limited to the lesser of four percent (4%) of the prior year’s budget or one hundred twenty percent (120%) of the consumer price index (“CPI”).

The Tax Levy Limit Law imposes a limitation on the amount of tax levy growth from one fiscal year to the next. Such limitation is the lesser of (i) 2% or (ii) the annual percentage increase in the consumer price index, as described in the Law. A budget with a tax levy that does not exceed such limit will require approval by at least 50% of the voters. Approval by at least 60% of the voters will be required for a budget with a tax levy increase in excess of the limit. In the event the voters reject the budget, or a subsequent resubmitted budget, the tax levy for the school district’s budget for the ensuing fiscal year may not exceed the amount of the tax levy for the prior fiscal year.

The Law permits certain significant exclusions to the tax levy limit for school districts. These include taxes to pay the local share of debt service on bonds or notes issued to finance voter approved capital expenditures (such as the Bonds and the Notes) and the refinancing or refunding of such bonds or notes, certain pension cost increases, and other items enumerated in the Law. However, such exclusion does NOT apply to taxes to pay debt service on tax anticipation notes, revenue anticipation notes, budget notes and deficiency notes; and any obligations issued to finance deficits and certain judgments, including tax certiorari refund payments. (See “*Nature of Obligation*” herein).

Chapter 20 of the Laws of 2015 (“Chapter 20”) introduced a new real property tax rebate program that provides state-financed tax rebate checks and credits to taxpayers who are eligible for the STAR exemption in the years 2016-2019. For 2016, eligible taxpayers who resided outside New York City but within the Metropolitan Commuter Transportation District (“MCTD”) received \$130, and eligible taxpayers who resided outside the MCTD received \$185. Credits in 2017-2019 will vary based on a taxpayer’s personal income level and STAR tax savings. Similar to the Chapter 59 real property tax credit, under Chapter 20 the eligibility of real property taxpayers in each year depends on the school district’s compliance with the provisions of the Tax Levy Limit Law. Unlike Chapter 59, however, for taxpayers other than those living in one of the “Big 4” cities only the compliance of the school district in which the taxpayer resides is relevant. Municipal compliance with the Tax Levy Limit Law is only required in the case of the “Big 4” cities that have fiscally dependent school districts. In such cases, the joint school/city levy must remain in compliance with the Tax Levy Limit Law. In either scenario, the relevant jurisdiction (independent school district or joint city/school district) must certify its compliance with the provisions of the Tax Levy Limit Law. While the provisions of Chapter 59 did not, and the provisions of Chapter 20 do not, directly further restrict the taxing power of the affected municipalities, school districts and special districts, Chapter 59 did, and Chapter 20 does, provide an incentive for such tax levies to remain within the tax cap limits established by the Tax Levy Limit Law.

Tax Collection Procedures

The real property taxes of the District are collected by the respective receivers of taxes of each of the Towns in the District. Such taxes are due and payable on September 1, but may be paid without penalty through September 30. There are additional penalties upon taxes paid during October. By November 15, uncollected school taxes are reported to the County for collection and payment, and by April 1 the County is required to pay the full amount of such taxes to the District. Additionally, the County remits to the District between November 15 and April 1, monies which it has received from the State constituting school tax levies upon State land within the District. Thus, the full amount of the District's real property tax levy is collected by the District in the fiscal year of the levy. The County has the power to issue and sell tax anticipation notes in order to reimburse any uncollected taxes to the District.

The District is not responsible for the collection of taxes of any other unit of government. The Town of Clarkstown collects the library taxes for the New City Library and West Nyack Library, which are forwarded to the District and then paid by the District to the respective libraries.

STAR - School Tax Exemption

The STAR (School Tax Relief) program provides State-funded exemptions from school property taxes to homeowners for their primary residences. Homeowners over 65 years of age with household adjusted gross incomes, less the taxable amount of total distributions from individual retirement accounts and individual retirement annuities (“STAR Adjusted Gross Income”) of \$86,000 or less, increased annually according to a cost of living adjustment, are eligible for a “full value” exemption of the first \$65,300 for the 2016-17 school year (adjusted annually). Other homeowners with household STAR Adjusted Gross income not in excess of \$500,000 are eligible for a \$30,000 “full value” exemption on their primary residence. School districts receive full reimbursement from the State for real property taxes exempted pursuant to the STAR program by the first business day in January of each year.

Part A of Chapter 60 of the Laws of 2016 of the State of New York (“Chapter 60”) gradually converts the STAR program from a real property tax exemption to a personal income tax credit. Chapter 60 prohibits new STAR exemptions from being granted unless at least one of the applicants held title to the property on the taxable status date of the assessment roll that was used to levy school district taxes for the 2015-2016 school year (generally, March 1, 2015), and the property was granted a STAR exemption on that assessment roll. However, a new homeowner may receive a new personal income tax credit in the form of a check. The dollar benefit to eligible taxpayers will not change. A taxpayer who is eligible for the new credit will receive a check from the State equal to the amount by which the STAR exemption would have reduced his or her school tax bill. A homeowner who owned his or her home on the taxable status date for the assessment roll used to levy taxes for the 2015-2016 school year, and who received a STAR exemption on that roll, may continue to receive a STAR exemption on that home as long as he or she still owns and primarily resides in it. No further action is required (unless the homeowner has been receiving Basic STAR and wants to apply for Enhanced STAR, which is permissible).

The State 2017-18 Enacted Budget included changes to Chapter 60. STAR checks are now expected to be mailed out prior to the date that school taxes are payable. The amount of the check will be based on the previous year’s amount adjusted by the levy growth factor used for the property tax cap. Any changes that must be made based on the final STAR credit compared to the estimate used will be factored into the subsequent year’s STAR credit check or taxpayers also may account for those changes in their State income taxes.

Approximately 11.4% of the District’s 2016-17 school tax levy was exempted by the STAR program and the District has received full reimbursement of such exempt taxes from the State. Approximately 10.2% of the District’s 2017-18 school tax levy was exempted by the STAR program and the District expects to receive full reimbursement of such exempt taxes from the State in January 2018 (See “*State Aid*” herein).

Ten of the Largest Taxpayers

2018 - 2019 Fiscal Year

<u>Taxpayer</u>	<u>Classification</u>	<u>Full Valuation</u>	<u>% of Total Full Valuation (2)</u>
Orange and Rockland	Utility	\$206,614,554	1.71%
Suez Water	Utility	91,942,807	0.76
State of NY	Park Lands	48,648,781	0.40
United Water	Utility	48,393,510	0.40
Spring Valley Marketplace	Shopping Ctr	32,857,142	0.27
JHW Construction	Real Estate	32,513,025	0.27
Gould Palisades Corp	Real Estate	27,725,302	0.23
PAR Pharmaceutical	Pharmaceutical	25,006,092	0.21
Verizon	Utility	22,508,495	0.19
Knoll Manor Assoc	Real Estate	22,115,042	0.18
Total		<u>\$558,324,750</u>	<u>4.62%</u>

- (1) Taxpayer has open tax certiorari claim (See “*Litigation*” for a general discussion of such matters).
- (2) Total full value for the 2018-19 fiscal year is \$12,094,745,753.

DISTRICT INDEBTEDNESS

Constitutional Requirements

The New York State Constitution and Local Finance Law limit the power of the District (and other municipalities and school districts of the State) to issue obligations and to contract indebtedness. Such constitutional and statutory limitations include the following, in summary form, and are generally applicable to the District and the Bonds and Notes:

Purpose and Pledge. The District shall not give or loan any money or property to or in aid of any individual, or private corporation or private undertaking or give or loan its credit to or in aid of any of the foregoing or any public corporation.

The District may contract indebtedness only for a District purpose and shall pledge its faith and credit for the payment of principal of and interest thereon.

Payment and Maturity. Except for certain short-term indebtedness contracted in anticipation of taxes, or to be paid in one of the two fiscal years immediately succeeding the fiscal year in which such indebtedness was contracted, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the periods of probable usefulness of the objects or purposes determined by statute or the weighted average period of usefulness of the several objects or purposes contracted therefor; no installment may be more than fifty per centum in excess of the smallest prior installment, unless the District has authorized the issuance of indebtedness having substantially level or declining annual debt service. The District is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds, bond anticipation notes and capital notes.

General. The District is further subject to constitutional limitation by the general constitutionally imposed duty on the State Legislature to restrict the power of taxation and contracting indebtedness to prevent abuses in the exercise of such power; however, the State Legislature is prohibited by a specific constitutional provision from restricting the power of the District to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted. There is no constitutional limitation on the amount that may be raised by the District by tax on real estate

in any fiscal year to pay principal of and interest on all indebtedness. However, the Tax Levy Limit Law imposes a statutory limitation on the power of the District to increase its annual tax levy. (See “*Nature of the Obligation*” and “*The Tax Levy Limit Law*” herein).

Statutory Procedure

In general, the State Legislature has, by enactment of the Local Finance Law, authorized the power and procedure for the District to borrow and incur indebtedness subject, of course, to the constitutional and provisions set forth above. The power to spend money, however, generally derives from other law, including the Education Law.

The Board of Education, as finance board of the District, has the power to enact tax anticipation note resolutions. Such resolution may authorize the issuance of tax anticipation notes in an aggregate principal amount necessary to fund anticipated cash flow deficits but in no event exceeding the amount of real property taxes levied or to be levied by the District, less any tax anticipation notes previously issued and less the amount of such taxes, previously received by the District.

The District is generally required by such laws to submit propositions for the expenditure of money for capital purposes to the qualified electors of the District. Upon approval thereby, the Board of Education may adopt a bond resolution authorizing the issuance of bonds and notes in anticipation of the bonds. With respect to certain school building construction projects, the District is not permitted to spend in excess of \$100,000 until the plans and specifications for such project have been approved by the Commissioner of Education of the State.

The Local Finance Law also provides a twenty-day statute of limitations after publication of a bond resolution, together with a statutory form of notice which, in effect, estops legal challenges to the validity of obligations authorized by such bond resolution except for alleged constitutional violations. The District has complied with such procedure with respect to the Bonds and the Notes.

The Board of Education, as the finance board of the District, also has the power to authorize the sale and issuance of bonds and notes, including the Bonds and Notes. However, such finance board may delegate the power to sell the Bonds and Notes to the President of the Board of Education, the chief fiscal officer of the District, pursuant to the Local Finance Law.

Debt Limit. Pursuant to the Local Finance Law, the District has the power to contract indebtedness for any District purpose authorized by the Legislature of the State of New York provided the aggregate amount thereof shall not exceed ten per centum of the full valuation of taxable real estate of the District and subject to certain enumerated exclusions and deductions such as State aid for building purposes. The constitutional and statutory method for determining full valuation consists of taking the assessed valuation of taxable real estate for the last completed assessment roll and applying thereto the ratio (equalization rate) which such assessed valuation bears to the full valuation; such ratio is determined by the State Board of Real Property Services. The State Legislature is required to prescribe the manner by which such ratio shall be determined by such authority.

Statutory Debt Limit and Net Indebtedness

The following table sets forth the computation of the debt limit of the District and its debt contracting margin.

Full Valuation of Taxable Real Property	<u>\$12,094,745,753</u>
Debt Limit (10% of Full Valuation)	<u><u>\$1,209,474,575</u></u>

**Computation of Constitutional
Debt Contracting Limitation
as of March 16, 2019**

	<u>Amount</u>	<u>Percentage</u>
Debt Contracting Limitation:	<u>\$ 1,209,474,575</u>	<u>100.00%</u>
Gross Indebtedness:		
Serial Bonds	3,750,000	0.31
Bond Anticipation Notes	<u>40,595,395</u>	<u>3.36</u>
Total Gross Debt	\$44,345,395	3.67
Exclusions and Deductions ⁽¹⁾	<u>0</u>	<u>0.00</u>
Net Indebtedness	<u>44,345,395</u>	<u>3.67</u>
Net Debt Contracting Margin	<u><u>\$ 1,165,129,180</u></u>	<u><u>96.33%</u></u>

(1) The District estimates that it will receive approximately \$20.4 million of State school building aid for outstanding capital debt. Such estimate, however, has not been certified by the State and, therefore, no deduction has been taken to compute the District's debt limit.

Short-Term Indebtedness

Pursuant to the Local Finance Law, the District is authorized to issue short-term indebtedness, in the form of notes as specified by such statute, to finance both capital and operating purposes.

Bond anticipation notes may be sold to provide moneys for capital projects once a bond resolution has been adopted. Generally, bond anticipation notes are issued in the anticipation of the sale of bonds at some future date and may be renewed from time to time up to five years from the date of the first note. Notes may not be renewed after the second year unless there is a principal payment on such notes from a source other than the proceeds of bonds. In no event, may bond anticipation notes be renewed after the sale of bonds in anticipation of which the notes were originally issued.

The District is also authorized by law to issue tax anticipation notes and revenue anticipation notes to provide cash to pay operating expenditures. Borrowings for this purpose are restricted by formulas contained in the Local Finance Law and Regulations issued under the U.S. Internal Revenue Code. Notes may be renewed from time-to-time, generally not beyond three years in the case of revenue anticipation notes, and five years for tax anticipation notes. Budget notes may be issued to finance current operating expenditures for which there is no appropriation or the amount so appropriated is not sufficient. Generally, the amount of budget notes issued may not exceed 5% of the budget and must be redeemed in the next fiscal year.

Tax Anticipation Notes

The following details the tax anticipation notes issued since for the last 5 fiscal years

<u>Fiscal Year Ended June 30:</u>	<u>Issue Date</u>	<u>Amount of Issue</u>	<u>Maturity Date</u>
2014	06-27-13	\$17,000,000	10-26-13
2015	07-01-14	17,000,000	10-27-14
2016	07-20-15	15,000,000	10-29-15
2017	07-13-16	15,000,000	10-28-16
2018	07-13-17	16,000,000	10-27-17
2019	07-12-18	16,000,000	10-30-18

Revenue Anticipation Notes

During the last five fiscal years the District issued one revenue anticipation note as follows.

<u>Fiscal Year Ended June 30:</u>	<u>Issue Date</u>	<u>Amount of Issue</u>	<u>Maturity Date</u>
2014	06-24-14	2,000,000	10-24-14

Bond Anticipation Notes

The District has the following bond anticipation notes outstanding as of March 16, 2019.

<u>Date Authorized</u>	<u>Original Issue Date</u>	<u>Purpose</u>	<u>Amount of the Notes</u>
01-24-17	04-28-17	Improvements to Various School Buildings	\$23,467,475 (1)
01-24-17	04-28-17	EXCEL Projects	1,127,920 (1)
01-24-17	07-12-18	Improvements to Various School Buildings	16,000,000 (2)
Totals			<u>\$40,595,395</u>

(1) To be redeemed with the proceeds of the Bonds and \$285,000 of funds on hand.

(1) To be redeemed from proceeds of the Notes.

Budget Notes

The District has not issued budget notes during the last five fiscal years

Trend of Capital Indebtedness

The following table sets forth the capital indebtedness outstanding at the end of each of the last five fiscal years.

	<u>Fiscal Year Ending June 30:</u>				
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Bonds	\$10,894,873	\$8,845,000	\$6,680,000	\$ 4,455,000	\$ 3,750,000
Bond Anticipation Notes	0	0	0	19,090,420	24,595,395
Energy Performance Contract	<u>3,737,231</u>	<u>2,024,816</u>	<u>1,146,804</u>	<u>233,857</u>	<u>0</u>
Total Outstanding Indebtedness	<u><u>\$14,632,104</u></u>	<u><u>\$10,869,816</u></u>	<u><u>\$7,826,804</u></u>	<u><u>\$23,779,277</u></u>	<u><u>\$28,345,395</u></u>

Overlapping and Underlying Debt

In addition to the District, the following political subdivisions have the power to issue notes and to levy taxes or cause taxes to be levied on taxable real property in the District. The estimated net outstanding indebtedness (bonds and notes) of such political subdivisions, based on information furnished by such entities, but not independently verified, is as follows:

Statement of Direct and Overlapping Indebtedness **As of March 16, 2019**

Gross Direct Indebtedness				\$44,345,395	
Exclusions and Deductions				<u>0</u>	
Net Direct Indebtedness				<u><u>\$44,345,395</u></u>	
	<u>Overlapping Units</u>	<u>Date of Report</u>	<u>Net Outstanding Indebtedness</u>	<u>Percentage Applicable</u>	<u>Applicable Net Indebtedness</u>
	County of Rockland	04-17-18	\$450,745,214	26.53	\$119,582,705
	Towns of:				0
	Clarkstown	09-28-18	113,065,000	7.71	8,717,312
	Haverstraw	12-31-17	31,905,000	13.39	4,272,080
	Ramapo	12-31-17	119,205,000 ⁽¹⁾	65.05	77,542,853
	Villages of:				0
	Chestnut Ridge	05-31-17	895,000	100.00	895,000
	New Hempstead	05-31-17	0	100.00	0
	New Square	05-31-17	511,968	100.00	511,968
	Pomona	05-31-17	470,000	100.00	470,000
	Spring Valley	05-31-18	12,500,000	100.00	12,500,000
	Wesley Hills	05-31-17	570,000	100.00	570,000
	Total				<u><u>\$225,061,918</u></u>

(1) Represents gross indebtedness.

Source: MSRB Electronic Municipal Market Access system and Office of the State Comptroller.

Debt Ratios

The following table sets forth certain debt ratios relating to the District's indebtedness as of March 16, 2019.

	<u>Amount</u>	<u>Debt Per Capita (1)</u>	<u>Debt to Estimated Full Value (2)</u>
Net Direct Debt	\$ 44,345,395	\$374	.37%
Net Direct and Overlapping Debt	269,407,313	2,274	2.23

(1) The District's population is 118,490 according to 2017 Estimated Census information.

(2) The District's full valuation of taxable real estate for fiscal Year 2018-19 is \$12,094,745,753.

Authorized and Unissued Debt

After the issuance of the Notes, the District will have no authorized and unissued debt. The District does issue tax anticipation notes annually.

Debt Service Schedule

The following table presents the debt service requirements to maturity on the District's outstanding general obligation bonded indebtedness.

<u>Debt Service on Outstanding General Obligations:</u>				
Years Ending June 30:	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Cumulative % Principal Paid</u>
2019 ⁽¹⁾	\$ 630,000	\$107,650	\$737,650	16.8%
2020	645,000	90,325	735,325	34.0
2021	665,000	72,588	737,588	51.7
2022	685,000	54,300	739,300	70.0
2023	705,000	33,750	738,750	88.8
2024	320,000	12,600	332,600	97.3
2025	100,000	3,000	103,000	100.0
	<u>\$3,750,000</u>	<u>\$374,213</u>	<u>\$4,124,213</u>	

(1) As of March 16, 2019, the District has paid \$0 in principal and \$53,825 in interest due on serial bonds for the fiscal year ending June 30, 2019.

ECONOMIC AND DEMOGRAPHIC DATA

Population

Population Trend

	2000	2010	2017	% Change	
				2000-2010	2010-2017
Town of Ramapo	108,905	126,595	134,440	16.2%	6.2%
County	286,753	311,687	325,027	8.7	4.3
State	18,976,457	19,378,102	19,798,228	2.1	2.2

Source: U.S. Department of Commerce, Bureau of the Census.

Income

Per Capita Money Income

	2010	2017	% Change
Town of Ramapo	\$27,345	\$26,148	(4.4)%
County	34,304	36,898	7.6
State	30,948	35,752	15.5

Source: U.S. Department of Commerce, Bureau of the Census (American Community Survey – 5 Year Estimate).

Median Income of Families 2017

Median Income	Income Groups - % of Families					
	Under \$25,000	\$25,000 -49,999	\$50,000 -74,999	\$75,000 -99,999	\$100,00 Or More	
Town of Ramapo	\$78,379	18.4%	16.7%	13.8%	11.6%	39.5%
County	104,232	11.3	12.4	12.3	11.7	52.3
State	77,141	14.6	18.1	16.1	13.1	38.1

Source: U.S. Department of Commerce, Bureau of the Census (American Community Survey – 5 Year Estimate).

Employment

Average Employed Civilian Labor Force 2000-2017

	2000	2010	2017	% Change	
				2000-2010	2010-2017
Town of Ramapo	46,900	50,700	55,400	8.1%	9.3%
County	139,300	138,800	147,700	(3.6)	6.4
State	8,718,700	8,769,700	9,249,200	0.6	5.5

Source: New York State Department of Labor.

Average Unemployment Rates

<u>Year</u>	<u>Town of Ramapo</u>	<u>County</u>	<u>State</u>	<u>United States</u>
2013	5.8%	6.3%	7.7%	7.4%
2014	4.7	5.2	6.3	6.2
2015	4.2	4.5	5.3	5.3
2016	3.8	4.2	4.9	4.9
2017	4.0	4.4	4.7	4.4
2018 ⁽¹⁾				
Jan	4.0	4.7	5.0	4.5
Feb	4.4	5.0	5.1	4.4
Mar	3.9	4.5	4.6	4.1
Apr	3.7	4.1	4.0	3.7
May	3.2	3.6	3.7	3.6
Jun	3.6	3.9	4.1	4.2
Jul	3.6	4.0	4.2	4.1
Aug	3.5	3.9	4.0	3.9
Sep	3.2	3.5	3.6	3.6
Oct	3.0	3.2	3.6	3.5
Nov	2.8	3.1	3.5	3.5
Dec	2.8	3.2	3.9	3.7

(1) Monthly Rates.
Source: New York State Labor Department and U.S. Bureau of Labor Statistics.

Larger Commercial and Industrial Employers in the County

<u>Name</u>	<u>Industry or Business</u>	<u>Number of Employees</u>
Hamapik of Rockland County	Health Services	1,875
Bon Secours Good Samaritan Hospital	Hospital	1,751
Nyack Hospital	Hospital	1,650
Pfizer, Inc	Pharmaceuticals	1,300
Rockland Psychiatric Center	Health Care	1,224
Jawonio, Inc.	Health Care	1,100
BOCES of Rockland	Health Care	933
Helen Hayes Hospital	Hospital	910
Verizon Wireless	Communications	850
Northern Services Group	Nursing Home	832
St. Dominic's Home	Nursing Home	820
SUNY Rockland Community College	Education	807
Nice-Pak Products, Inc.	Paper Manufacturing	781
Orange & Rockland Utilities	Public Utility	781
AT&T Healthcare	Health Care	760
Camp Venture, Inc.	Health Services	675
ARC of Rockland	Health Care	650
Community Home Health & Aide Svc, Inc.	Health Services	600

Source: The Rockland County Official Statement dated April 3, 2017.

Housing Data

The following tables present information for the Town of Ramapo, the County and the State and is not necessarily representative of the District as a whole.

Housing Stock 2000 - 2017

	Number of Units			% Change	
	2000	2010	2017	2000-2010	2010-2017
Town of Ramapo	32,422	36,754	37,060	13.4%	0.8%
County	94,973	104,057	105,530	9.6	1.4
State	7,679,307	8,108,103	8,255,911	5.6	1.8

Source: U.S. Department of Commerce, Bureau of the Census.

Median Housing Values and Rentals 2017

	% Constructed 2010-2017	Median Value	Median Rent	Occupancy Status		
		Owner Occupied Units	Renter Occupied Units	Owner Occupied	Renter Occupied	Vacant
Town of Ramapo	4.0%	\$417,300	\$1,354	54.5%	39.7%	5.8%
County	2.2	425,100	1,420	65.2	29.5	5.3
State	1.7	293,000	1,194	47.8	40.7	11.5

Source: U.S. Department of Commerce, Bureau of the Census.

END OF APPENDIX A

APPENDIX B

UNAUDITED SUMMARY OF FINANCIAL STATEMENTS AND BUDGETS

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**EAST RAMAPO CENTRAL SCHOOL DISTRICT
GENERAL FUND
BALANCE SHEET
UNAUDITED PRESENTATION**

As of June 30:

	2014	2015	2016	2017	2018
ASSETS					
Cash And Equivalents	\$ 8,238,536	\$ 14,602,852	\$ 15,230,990	\$ 17,139,463	\$ 17,781,220
Investments	40,574	40,589	40,654	0	0
Receivables:					
Accounts	229,925	624,536	668,402	16,921	63,875
State and Federal Aid	4,002,327	2,805,969	2,900,485	6,139,944	4,364,405
Due From Other Governments	770,126	841,060	355,096	733,211	985,418
Advances To Other Funds	263,586	230,886	170,886	30,033	95,782
Due From Other Funds	5,815,258	7,561,699	8,881,243	7,936,170	9,698,726
Total Assets	\$ 19,360,332	\$ 26,707,591	\$ 28,247,756	\$ 31,995,742	\$ 32,989,426
LIABILITIES AND FUND EQUITY					
Liabilities:					
Accounts Payable	\$ 8,453,908	\$ 7,268,569	\$ 8,727,366	\$ 7,396,017	\$ 10,806,064
Accrued Liabilites	966,713	875,795	1,198,579	1,596,998	969,751
Due to Other Governments	68,150	68,150	68,150	68,150	0
Unearned Revenues	67,709	140,479	145,650	1,085,252	0
Deposits Payable	427,878	0	0	0	0
Notes Payable	2,000,000	0	0	0	0
Due To Retirement System	14,038,094	15,896,343	12,949,721	11,953,095	10,869,854
Unearned Credits - Collections in Advance	0	0	0	0	202,674
Total Liabilities	26,022,452	24,249,336	23,089,466	22,099,512	22,848,343
Fund Balances (Deficits):					
Nonspendable	263,586	230,886	170,886	30,033	95,782
Restricted	101,544	101,715	101,744	101,815	102,005
Assigned	0	723,086	735,224	605,903	1,529,761
Unassigned	(7,027,250)	1,402,568	4,150,436	9,158,479	8,413,535
Total Fund Equity	(6,662,120)	2,458,255	5,158,290	9,896,230	10,141,083
Total Liabilities and Fund Equity	\$ 19,360,332	\$ 26,707,591	\$ 28,247,756	\$ 31,995,742	\$ 32,989,426

The financial data presented on this page has been excerpted from the audited financial statements of the District
Such presentation, however, has not been audited.
Complete copies of the District's audited financial statements are available upon request to the District

EAST RAMAPO CENTRAL SCHOOL DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
UNAUDITED PRESENTATION

FOR THE FISCAL YEARS ENDED JUNE 30:

	2014	2015	2016	2017	2018
REVENUES:					
Real Property Taxes	\$ 123,791,727	\$ 128,545,097	\$ 130,069,855	\$ 133,580,530	\$ 137,150,056
Other Tax Items	17,188,595	16,621,739	16,898,412	15,282,373	14,042,618
Charges For Services	1,693,987	1,938,064	2,182,843	2,202,712	2,202,440
Use Of Money And Property	332,819	747,012	650,924	554,213	599,353
Sale Of Property And Compensation For Loss	80,568	79,810	136,138	373,868	121,164
State Aid	54,588,200	59,469,291	66,511,944	74,205,265	79,145,509
Federal Aid	985,010	828,840	1,076,579	857,609	987,164
Miscellaneous	1,639,095	2,262,574	1,869,874	2,395,039	1,477,100
Total Revenues	200,300,001	210,492,427	219,396,569	229,451,609	235,725,404
EXPENDITURES:					
Current:					
General Government Support	17,704,593	19,447,963	18,164,697	19,432,984	19,448,301
Instruction	106,962,705	111,208,875	116,060,733	119,449,557	125,341,065
Pupil Transportation	25,735,253	28,649,561	31,139,051	33,275,690	35,446,355
Community Service	67,205	72,706	74,096	93,217	135,761
Employee Benefits	45,499,188	47,455,694	47,086,279	48,263,483	50,701,132
Capital Outlay	0	0	0	0	0
Debt Service	3,680,868	4,245,947	3,505,124	3,456,086	2,631,833
Total Expenditures	199,649,812	211,080,746	216,029,980	223,971,017	233,704,447
Excess of Revenues Over Expenditures	650,189	(588,319)	3,366,589	5,480,592	2,020,957
OTHER FINANCING SOURCES (USES):					
Bonds Issued	0	0	0	0	0
Sale of Real Property	0	10,062,620	0	0	0
Premium on Obligations	0	0	0	0	3,361
Operating Transfers - In	100,000	212,603	216,566	212,902	52,990
Operating Transfers - Out (a)	(966,820)	(566,529)	(883,120)	(955,554)	(1,832,455)
Total Other Financing Sources (Uses)	(866,820)	9,708,694	(666,554)	(742,652)	(1,776,104)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(216,631)	9,120,375	2,700,035	4,737,940	244,853
Fund Equity - Beginning of Year	(6,445,489)	(6,662,120)	2,458,255	5,158,290	9,896,230
Fund Equity - End of Year	(6,662,120)	2,458,255	5,158,290	9,896,230	10,141,083

(a) Includes transfer to the Debt Service Fund and Capital Fund.

The financial data presented on this page has been excerpted from the audited financial statements of the District.

Such presentation, however, has not been audited.

Complete copies of the District's audited financial statements are available upon request to the District.

EAST RAMAPO CENTRAL SCHOOL DISTRICT
STATEMENT OF ESTIMATED REVENUES AND APPROPRIATIONS
GENERAL FUND (1)

		Adopted Budget 2018-19
ESTIMATED REVENUES:		
Tax Levy	\$	151,461,007
State Aid		74,157,245
PILOT		265,219
Day School Tuition- Other NYS Districts		1,634,272
Tuition Aid for Students with Disabilities		1,657,000
Health Services for Other Dist. Students		384,120
Interest and Earnings		160,000
Rentals		234,545
Use of Facilities		396,680
Insurance Recoveries		15,000
Workers Comp. Reimbursement		82,500
Prior Year Refunds		915,000
Other Unclassified Revenues		743,381
Medicaid		800,000
Interfund Transfer		53,222
		232,959,191
TOTAL REVENUES		959,000
		233,918,191
APPROPRIATIONS:		
General Support		19,222,478
Education		125,561,722
Transportation		32,936,480
Home and Community Service		133,919
Employee Benefits		54,044,767
Debt Service		2,018,825
		233,918,191
TOTAL APPROPRIATIONS	\$	233,918,191

Source: Adopted Budget

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APPENDIX C

**LINK TO
INDEPENDENT AUDITORS' REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2018**

**Can be accessed on the Electronic Municipal Market Access (“EMMA”) website
of the Municipal Securities Rulemaking Board (“MSRB”)
at the following link:**

<https://emma.msrb.org/ER1309458.pdf>

**The audited financial statements referenced above are hereby incorporated into the
attached Official Statement.**

*** Such Financial Statements and opinion are intended to be representative only as of the
date thereof. R.S. Abrams & Co., LLP has not been requested by the District to further
review and/or update such Financial Statements or opinion in connection with the
preparation and dissemination of this Official Statement.**

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APPENDIX D

FORM OF BOND COUNSEL OPINIONS

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Hawkins Delafield & Wood LLP
7 World Trade Center
250 Greenwich Street
New York, New York 10007

April 17, 2019

The Board of Education of
East Ramapo Central School District, in the
County of Rockland, New York

Ladies and Gentlemen:

We have acted as Bond Counsel to East Ramapo Central School District (the "School District"), in the County of Rockland, New York, and have examined a record of proceedings relating to the authorization, sale and issuance of the \$24,310,395 School District Serial Bonds-2019 (the "Bonds"), dated and delivered the date hereof.

In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity with originals of all documents submitted to us as copies thereof.

Concurrently with the issuance of the Bonds, the School District is issuing its \$33,056,850 Bond Anticipation Note for Various School Purposes-2019 (the "Notes"). The Bonds are treated, together with the Notes, as a single issue for federal tax purposes. We have served as Bond Counsel with respect to the issuance of the Notes and, on the date hereof, we have rendered our opinion with respect to the exclusion of interest on the Notes from gross income for federal income tax purposes in substantially the form of paragraph 2 below and subject to the same conditions and limitations set forth herein. Noncompliance with such conditions and limitations may cause interest on both the Bonds and the Notes to become subject to federal income taxation retroactive to the date of issue, irrespective of the date on which such noncompliance occurs or is ascertained.

Based upon and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Bonds are valid and legally binding general obligations of the School District for which the School District has validly pledged its faith and credit and, unless paid from other sources, all the taxable real property within the School District is subject to the levy of ad valorem real estate taxes to pay the Bonds and interest thereon without limitation as to rate or amount. The enforceability of rights or remedies with respect to such Bonds may be limited by bankruptcy, insolvency, or other laws affecting creditors' rights or remedies heretofore or hereafter enacted.

2. Under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code.

The Code establishes certain requirements that must be met subsequent to the issuance of the Bonds in order that the interest on the Bonds be and remain excludable from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to the use and expenditure of proceeds of the Bonds, restrictions on the investment of proceeds of the Bonds prior to expenditure and the requirement that certain earnings be rebated to the federal government. Noncompliance with such requirements may cause the interest on the Bonds to become subject to federal income taxation retroactive to the date of issuance thereof, irrespective of the date on which such noncompliance occurs or is ascertained.

On the date of issuance of the Bonds, the School District will execute a Tax Certificate relating to the Bonds containing provisions and procedures pursuant to which such requirements can be satisfied. In executing

the Tax Certificate, the School District represents that it will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure that the interest on the Bonds will, for federal income tax purposes, be excluded from gross income.

In rendering the opinion in this paragraph 2, we have relied upon and assumed (i) the material accuracy of the School District's representations, statements of intention and reasonable expectations, and certifications of fact contained in the Tax Certificate with respect to matters affecting the status of the interest on the Bonds, and (ii) compliance by the School District with the procedures and representations set forth in the Tax Certificate as to such tax matters.

3. Under existing statutes, interest on the Bonds is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York.

We express no opinion as to any other federal, state or local tax consequences arising with respect to the Bonds, or the ownership or disposition thereof, except as stated in paragraphs 2 and 3 above. We render our opinion under existing statutes and court decisions as of the date hereof, and assume no obligation to update, revise or supplement our opinion to reflect any action hereafter taken or not taken, any fact or circumstance that may hereafter come to our attention, any change in law or interpretation thereof that may hereafter occur, or for any other reason. We express no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, we express no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Bonds.

We give no assurances as to the adequacy, sufficiency or completeness of the Preliminary Official Statement and/or Official Statement related to the Bonds or any proceedings, reports, correspondence, financial statements or other documents, containing financial or other information relative to the School District, which have been or may hereafter be furnished or disclosed to purchasers of ownership interests in the Bonds.

Very truly yours,

/s/ Hawkins Delafield & Wood LLP

Hawkins Delafield & Wood LLP
7 World Trade Center
250 Greenwich Street
New York, New York 10007

The Board of Education of
East Ramapo Central School District, in the
County of Rockland, New York

Ladies and Gentlemen:

We have acted as Bond Counsel to the East Ramapo Central School District, (the "School District"), in the County of Rockland, a school district of the State of New York and have examined a record of proceedings relating to the authorization, sale and issuance of the \$33,056,850 Bond Anticipation Note-2019 (the "Note"), dated and delivered on the date hereof.

In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity with originals of all documents submitted to us as copies thereof.

Concurrently with the issuance of the Note, the School District is issuing its \$24,310,395 School District Serial Bonds-2019 (the "Bonds"). The Note is treated, together with the Bonds, as a single issue for federal tax purposes. We have served as Bond Counsel with respect to the issuance of the Bonds and, on the date hereof, we have rendered our opinion with respect to the exclusion of interest on the Bonds from gross income for federal income tax purposes in substantially the form of paragraph 2 below and subject to the same conditions and limitations set forth herein. Noncompliance with such conditions and limitations may cause interest on both the Note and the Bonds to become subject to federal income taxation retroactive to the date of issue, irrespective of the date on which such noncompliance occurs or is ascertained.

Based upon and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Note is a valid and legally binding general obligation of the School District for which the School District has validly pledged its faith and credit and, unless paid from other sources, all the taxable real property within the School District is subject to the levy of ad valorem real estate taxes to pay the Note and interest thereon without limitation as to rate or amount. The enforceability of rights or remedies with respect to such Note may be limited by bankruptcy, insolvency, or other laws affecting creditors' rights or remedies heretofore or hereafter enacted.

2. Under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Note is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Note is not treated as a preference item in calculating the alternative minimum tax under the Code.

The Code establishes certain requirements that must be met subsequent to the issuance of the Note in order that the interest on the Note be and remain excludable from gross income for federal income tax purposes under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to the use and expenditure of proceeds of the Note, restrictions on the investment of proceeds of the Note prior to expenditure and the requirement that certain earnings be rebated to the federal government. Noncompliance with such requirements may cause the interest on the Note to become subject to federal income taxation retroactive to the date of issuance thereof, irrespective of the date on which such noncompliance occurs or is ascertained.

On the date of issuance of the Note, the School District will execute a Tax Certificate relating to the Note containing provisions and procedures pursuant to which such requirements can be satisfied. In executing the

Tax Certificate, the School District represents that it will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure that the interest on the Note will, for federal income tax purposes, be excluded from gross income.

In rendering the opinion in this paragraph 2, we have relied upon and assumed (i) the material accuracy of the School District's representations, statements of intention and reasonable expectations, and certifications of fact contained in the Tax Certificate with respect to matters affecting the status of the interest on the Note, and (ii) compliance by the School District with the procedures and representations set forth in the Tax Certificate as to such tax matters.

3. Under existing statutes, interest on the Note is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York.

We express no opinion as to any other federal, state or local tax consequences arising with respect to the Note, or the ownership or disposition thereof, except as stated in paragraphs 2 and 3 above. We render our opinion under existing statutes and court decisions as of the date hereof, and assume no obligation to update, revise or supplement our opinion to reflect any action hereafter taken or not taken, any fact or circumstance that may hereafter come to our attention, any change in law or interpretation thereof that may hereafter occur, or for any other reason. We express no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, we express no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Note.

We give no assurances as to the adequacy, sufficiency or completeness of the Preliminary Official Statement and/or Official Statement relating to the Note or any proceedings, reports, correspondence, financial statements or other documents, containing financial or other information relative to the School District, which have been or may hereafter be furnished or disclosed to purchasers of ownership interests in the Note.

Very truly yours,

/s/ Hawkins Delafield & Wood LLP

APPENDIX E

FORM OF UNDERTAKING TO PROVIDE CONTINUING DISCLSOURE

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UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE

Section 1. Definitions

“Annual Information” shall mean the information specified in Section 3 hereof.

“EMMA” shall mean the Electronic Municipal Market Access System implemented by the MSRB.

“Financial Obligation” shall mean “financial obligation” as such term is defined in the Rule.

“GAAP” shall mean generally accepted accounting principles as in effect from time to time in the United States.

“Holder” shall mean any registered owner of the Securities and any beneficial owner of Securities within the meaning of Rule 13d-3 under the Securities Exchange Act of 1934.

“Issuer” shall mean East Ramapo Central School District, in the County of Rockland, a school district of the State of New York.

“MSRB” shall mean the Municipal Securities Rulemaking Board established in accordance with the provisions of Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of the MSRB contemplated by this Agreement.

“Purchaser” shall mean the financial institution referred to in the Certificate of Award, executed by the President of the Board of Education as of April 10, 2019.

“Rule” means Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934 (17 CFR Part 240, §240.15c2-12), as amended, as in effect on the date of this Undertaking, including any official interpretations thereof issued either before or after the effective date of this Undertaking which are applicable to this Undertaking.

“Securities” shall mean the Issuer’s \$24,310,395 School District Serial Bonds-2019, dated April 17, 2019, maturing in various principal amounts on December 15 in each of the years 2019 to 2033, inclusive, and delivered on the date hereof.

Section 2. Obligation to Provide Continuing Disclosure. (a) The Issuer hereby undertakes, for the benefit of Holders of the Securities, to provide or cause to be provided to the EMMA System:

- (i) no later the last day of the sixth month following the fiscal year ending June 30, 2019, the Annual Information relating to such fiscal year, together with audited financial statements of the Issuer for such fiscal year if audited financial statements are then available; provided, however, that if audited financial statements are not then available, unaudited financial statements shall be provided with the Annual Information, and audited financial statements, if any, shall be delivered to the EMMA System within thirty (30) days after they become available and in no event later than 360 days after the end of each fiscal year; and
- (ii) in a timely manner, not in excess of ten (10) business days after the occurrence of such event, notice of any of the following events with respect to the Securities:
 - (1) principal and interest payment delinquencies;
 - (2) non-payment related defaults, if material;
 - (3) unscheduled draws on debt service reserves reflecting financial difficulties;

- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Securities, or other material events affecting the tax status of the Securities;
- (7) modifications to rights of Securities holders, if material;
- (8) Bond calls, if material, and tender offers;
- (9) defeasances;
- (10) release, substitution, or sale of property securing repayment of the Securities, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the Issuer;

Note to clause (12): For the purposes of the event identified in clause (12) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer;

- (13) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
 - (14) appointment of a successor or additional trustee or the change of name of a trustee, if material;
 - (15) incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material; and
 - (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.
- (iii) in a timely manner, not in excess of ten (10) business days after the occurrence of such event, notice of a failure to provide by the date set forth in Section 2(a)(i) hereof any Annual Information required by Section 3 hereof.

(b) Nothing herein shall be deemed to prevent the Issuer from disseminating any other information in addition to that required hereby in the manner set forth herein or in any other manner. If the Issuer disseminates any such additional information, the Issuer shall have no obligation to update such information or include it in any future materials disseminated hereunder.

(c) Nothing herein shall be deemed to prevent the Issuer from providing notice of the occurrence of certain other events, in addition to those listed above, if the Issuer determines that any such other event is material with respect to the Securities; but the Issuer does not undertake to commit to provide any such notice of the occurrence of any material event except those events listed above.

Section 3. Annual Information. (a) The required Annual Information shall consist of the financial information and operating data for the preceding fiscal year, in a form generally consistent with the information contained or cross-referenced in the Issuer's final official statement relating to the Securities under the headings: "The District," "District Indebtedness," "Financial Factors," "Economic and Demographic Information" and "Litigation" and in Appendix B.

(b) All or any portion of the Annual Information may be incorporated in the Annual Information by cross reference to any other documents which are (i) available to the public on the EMMA System or (ii) filed with the SEC. If such a document is a final official statement, it also must be available from the EMMA System.

(c) Annual Information for any fiscal year containing any modified operating data or financial information (as contemplated by Section 7(e) hereof) for such fiscal year shall explain, in narrative form, the reasons for such modification and the effect of such modification on the Annual Information being provided for such fiscal year. If a change in accounting principles is included in any such modification, such Annual Information shall present a comparison between the financial statements or information prepared on the basis of the modified accounting principles and those prepared on the basis of the former accounting principles.

Section 4. Financial Statements. The Issuer's annual financial statements for each fiscal year, if prepared, shall be prepared in accordance with GAAP or New York State regulatory requirements as in effect from time to time. Such financial statements, if prepared, shall be audited by an independent accounting firm. The Issuer's Annual Financial Report Update Document prepared by the Issuer and filed annually with New York State in accordance with applicable law, shall not be subject to the foregoing requirements.

Section 5. Remedies. If the Issuer shall fail to comply with any provision of this Undertaking, then any Holder of Securities may enforce, for the equal benefit and protection of all Holders similarly situated, by mandamus or other suit or proceeding at law or in equity, this Undertaking against the Issuer and any of the officers, agents and employees of the Issuer, and may compel the Issuer or any such officers, agents or employees to perform and carry out their duties under this Undertaking; provided that the sole and exclusive remedy for breach of this Undertaking shall be an action to compel specific performance of the obligations of the Issuer hereunder and no person or entity shall be entitled to recover monetary damages hereunder under any circumstances. Failure to comply with any provision of this Undertaking shall not constitute an event of default on the Securities.

Section 6. Parties in Interest. This Undertaking is executed to assist the Purchaser to comply with (b)(5) of the Rule and is delivered for the benefit of the Holders. No other person shall have any right to enforce the provisions hereof or any other rights hereunder.

Section 7. Amendments. Without the consent of any holders of Securities, the Issuer at any time and from time to time may enter into any amendments or changes to this Undertaking for any of the following purposes:

- (a) to comply with or conform to any changes in Rule 15c2-12 (whether required or optional);
- (b) to add a dissemination agent for the information required to be provided hereby and to make any necessary or desirable provisions with respect thereto;

- (c) to evidence the succession of another person to the Issuer and the assumption of any such successor of the duties of the Issuer hereunder;
- (d) to add to the duties of the Issuer for the benefit of the Holders, or to surrender any right or power herein conferred upon the Issuer;
- (e) to modify the contents, presentation and format of the Annual Information from time to time to conform to changes in accounting or disclosure principles or practices and legal requirements followed by or applicable to the Issuer or to reflect changes in the identity, nature or status of the Issuer or in the business, structure or operations of the Issuer or any mergers, consolidations, acquisitions or dispositions made by or affecting any such person; provided that any such modifications shall comply with the requirements of Rule 15c2-12 or Rule 15c2-12 as in effect at the time of such modification; or
- (f) to cure any ambiguity, to correct or supplement any provision hereof which may be inconsistent with any other provision hereof, or to make any other provisions with respect to matters or questions arising under this Undertaking which, in each case, comply with Rule 15c2-12 or Rule 15c2-12 as in effect at the time of such amendment or change;

provided that no such action pursuant to this Section 7 shall adversely affect the interests of the Holders in any material respect. In making such determination, the Issuer shall rely upon an opinion of nationally recognized bond counsel.

Section 8. Termination. This Undertaking shall remain in full force and effect until such time as all principal, redemption premiums, if any, and interest on the Securities shall have been paid in full or the Securities shall have otherwise been paid or legally defeased pursuant to their terms. Upon any such legal defeasance, the Issuer shall provide notice of such defeasance to the EMMA System. Such notice shall state whether the Securities have been defeased to maturity or to redemption and the timing of such maturity or redemption.

In addition, this Agreement, or any provision hereof, shall be null and void in the event that those portions of the Rule which require this Agreement, or such provision, as the case may be, do not or no longer apply to the Bonds, whether because such portions of the Rule are invalid, have been repealed, or otherwise.

Section 9. Undertaking to Constitute Written Agreement or Contract. This Undertaking shall constitute the written agreement or contract for the benefit of Holders of Securities, as contemplated under Rule 15c2-12.

Section 10. Governing Law. This Undertaking shall be governed by the laws of the State of New York determined without regard to principles of conflict of law.

IN WITNESS WHEREOF, the undersigned has duly authorized, executed and delivered this Undertaking as of April 17, 2019.

EAST RAMAPO CENTRAL SCHOOL DISTRICT

By _____
 President of the Board of Education
 and Chief Fiscal Officer

APPENDIX F

FORM OF UNDERTAKING TO PROVIDE NOTICES OF EVENTS

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UNDERTAKING TO PROVIDE NOTICES OF EVENTS

Section 1. Definitions

“EMMA” shall mean the Electronic Municipal Market Access System implemented by the MSRB.

“Financial Obligation” shall mean “financial obligation” as such term is defined in the Rule.

“GAAP” shall mean generally accepted accounting principles as in effect from time to time in the United States.

“Holder” shall mean any registered owner of the Securities and any beneficial owner of Securities within the meaning of Rule 13d-3 under the Securities Exchange Act of 1934.

“Issuer” shall mean the **East Ramapo Central School District**, in the County of Rockland, a School District of the State of New York.

“MSRB” shall mean the Municipal Securities Rulemaking Board established in accordance with the provisions of Section 15B(b)(1) of the Securities Exchange Act of 1934.

“Purchaser” shall mean the financial institution referred to in the Certificate of Determination, executed by the President of the School Board as of April 17, 2019.

“Rule 15c2-12” shall mean Rule 15c2-12 under the Securities Exchange Act of 1934, as amended through the date of this Undertaking, including any official interpretations thereof.

“Securities” shall mean the Issuer’s \$33,056,850 Bond Anticipation Note-2019, dated April 17, 2019, maturing on March 31, 2020, and delivered on the date hereof.

Section 2. Obligation to Provide Notices of Events. (a) The Issuer hereby undertakes, for the benefit of Holders of the Securities, to provide or cause to be provided to the Electronic Municipal Market Access (“EMMA”) System implemented by the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of such Board contemplated by the Undertaking, in a timely manner, not in excess of ten (10) business days after the occurrence of any such event, notice of any of the following events with respect to the Securities:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Securities, or other material events affecting the tax status of the Securities;
- (7) modifications to rights of Securities holders, if material;
- (8) Bond calls, if material, and tender offers;

- (9) defeasances;
- (10) release, substitution, or sale of property securing repayment of the Securities, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the Issuer;

Note to clause (12): For the purposes of the event identified in clause (12) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer;

- (13) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (14) appointment of a successor or additional trustee or the change of name of a trustee, if material.
- (15) incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material; and.
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties.

(b) Nothing herein shall be deemed to prevent the Issuer from disseminating any other information in addition to that required hereby in the manner set forth herein or in any other manner. If the Issuer disseminates any such additional information, the Issuer shall have no obligation to update such information or include it in any future materials disseminated hereunder.

(c) Nothing herein shall be deemed to prevent the Issuer from providing notice of the occurrence of certain other events, in addition to those listed above, if the Issuer determines that any such other event is material with respect to the Securities; but the Issuer does not undertake to commit to provide any such notice of the occurrence of any event except those events listed above.

Section 3. Remedies. If the Issuer shall fail to comply with any provision of this Undertaking, then any Holder of Securities may enforce, for the equal benefit and protection of all Holders similarly situated, by mandamus or other suit or proceeding at law or in equity, this Undertaking against the Issuer and any of the officers, agents and employees of the Issuer, and may compel the Issuer or any such officers, agents or employees to perform and carry out their duties under this Undertaking; provided that the sole and exclusive remedy for breach of this Undertaking shall be an action to compel specific performance of the obligations of the Issuer hereunder and no person or entity shall be entitled to recover monetary damages hereunder under any circumstances. Failure to comply with any provision of this Undertaking shall not constitute an event of default on the Securities.

Section 4. Parties in Interest. This Undertaking is executed to assist the Purchaser to comply with (b)(5) of the Rule and is delivered for the benefit of the Holders. No other person shall have any right to enforce the provisions hereof or any other rights hereunder.

Section 5. Amendments. Without the consent of any holders of Securities, the Issuer at any time and from time to time may enter into any amendments or changes to this Undertaking for any of the following purposes:

- (a) to comply with or conform to any changes in Rule 15c2-12 (whether required or optional);
- (b) to add a dissemination agent for the information required to be provided hereby and to make any necessary or desirable provisions with respect thereto;
- (c) to evidence the succession of another person to the Issuer and the assumption of any such successor of the duties of the Issuer hereunder;
- (d) to add to the duties of the Issuer for the benefit of the Holders, or to surrender any right or power herein conferred upon the Issuer;
- (e) to cure any ambiguity, to correct or supplement any provision hereof which may be inconsistent with any other provision hereof, or to make any other provisions with respect to matters or questions arising under this Undertaking which, in each case, comply with Rule 15c2-12 or Rule 15c2-12 as in effect at the time of such amendment or change;

provided that no such action pursuant to this Section 5 shall adversely affect the interests of the Holders in any material respect. In making such determination, the Issuer shall rely upon an opinion of nationally recognized bond counsel.

Section 6. Termination. This Undertaking shall remain in full force and effect until such time as all principal, redemption premiums, if any, and interest on the Securities shall have been paid in full or the Securities shall have otherwise been paid or legally defeased in accordance with their terms. Upon any such legal defeasance, the Issuer shall provide notice of such defeasance to the EMMA System. Such notice shall state whether the Securities have been defeased to maturity or to redemption and the timing of such maturity or redemption.

Section 7. Undertaking to Constitute Written Agreement or Contract. This Undertaking shall constitute the written agreement or contract for the benefit of Holders of Securities, as contemplated under Rule 15c2-12.

Section 8. Governing Law. This Undertaking shall be governed by the laws of the State of New York determined without regard to principles of conflict of law.

IN WITNESS WHEREOF, the undersigned has duly authorized, executed and delivered this Undertaking as of **April 17, 2019**.

EAST RAMAPO CENTRAL SCHOOL DISTRICT

By _____
President of the Board of Education

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